Petition

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NO. 81-1564

IN THE SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1980

GORDON B. LEITCH, JR. AND MARY C. LEITCH,

PETITIONERS

v.

COMMISSIONER OF INTERNAL REVENUE

RESPONDENT

PETITION FOR WRIT OF CERTIORARI

TO THE UNITED STATES COURT OF APPEALS

FOR THE NINTH CIRCUIT

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QUESTIONS PRESENTED FOR REVIEW

Petitioners Gordon B. Leitch, Jr. and Mary C. Leitch (herein referred to as "Taxpayers") present the following questions for review in the spirit of a good faith, scholarly analysis of the income tax laws and not as tax "protesters" or "rebels" (a characterization erroneously applied to them in the past):

1. Do the United States Constitution and the existing Congressional statutes require that all income tax receipts, deductions, and obligations be measured at parity with the specie dollar unit?

2. Do the apparently adverse Supreme Court decisions of Knox v. Lee, Parker v. Davis (The Legal Tender Cases), 79 U.S. (12 Wall.) 457, 20 L. Ed. 287 (1870), and Julliard v. Greenman, 110 U.S. 421, 4 S. Ct. 122, 28 L. Ed. 204 (1884),

rest upon recently proven and demonstrable legal, mathematical and historical error?

3. Do the decisions of this court prohibit the use of paper notes (lacking any intrinsic value) as money?

4. May the Tax Court grant a summary judgment against Taxpayers where questions of fact exist?

LIST OF PARTIES

GORDON B. LEITCH, JR.

MARY C. LEITCH

COMMISSIONER OF INTERNAL REVENUE

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NO. _____

IN THE SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1980

GORDON B. LEITCH, JR. AND MARY C. LEITCH,

PETITIONERS

v.

COMMISSIONER OF INTERNAL REVENUE

RESPONDENT

PETITION FOR WRIT OF CERTIORARI

TO THE UNITED STATES COURT OF APPEALS

FOR THE NINTH CIRCUIT

Petitioners respectfully pray that a writ of certiorari issue to review the judgment of the United States Court of Appeals for the Ninth Circuit, affirming the summary judgment granted in favor of respondent Commissioner of Internal Revenue (hereinafter referred to as "Commissioner") and against Taxpayers.

OPINIONS BELOW

The slip opinion of the United States Court of Appeals for the Ninth Circuit has not been reported in an official or unofficial report; the slip opinion appears as Appendix A. The memorandum opinion of the United States Tax Court is published in slip opinion form and is not officially or unofficially reported; it appears as Appendix B to this petition.

JURISDICTION

The judgment of the United States Court of Appeals for the Ninth Circuit was entered and filed on the 20th day of May, 1981. The jurisdiction of this Court is invoked under 28 USC § 1254(1).

CONSTITUTIONAL PROVISIONS INVOLVED

Article I, Section 8, Clause 5:

> "The Congress shall have Power . . .
>
> " To coin Money, regulate the Value thereof, and of foreign Coin, and fix the Standard of Weights and Measures."

Article I, Section 10, Paragraph 1:

> "Limitations upon powers of states. No State shall enter into any Treaty, Alliance, or Confederation; grant letters of Marque and reprisal; coin Money; emit Bills of Credit; make any Thing but gold and silver Coin a Tender in Payment of Debts; pass any Bill of Attainder, ex post facto Law, or Law impairing the Obligation of Contracts, or grant any Title of Nobility."

Amendment IX:

> "Rights retained by people. The enumeration in the Constitution, of certain rights, shall not be construed to deny or

disparage others retained by the people."

STATUTES INVOLVED

31 USC § 314:

"Standard unit of value.

"The dollar of gold 9-10ths fine consisting of the weight determined under the provisions of Section 821 of this title shall be the standard unit of value, and all forms of money issued or coined by the United States shall be maintained at a parity of value with this standard, and it shall be the duty of the Secretary of the Treasury to maintain such parity."

STATEMENT OF THE CASE

Taxpayers duly filed their joint income tax returns with the Commissioner for the tax years ended December 31, 1974, and December 31, 1975 (CR 21, pp. 63-84).

Taxpayers completely and correctly filled out their returns (CR 21, pp. 63-84); they prepared their returns in accordance with Article I, § 8, Constitution of the United States of America (hereinafter referred to as "Constitution") and 31 USC § 314 by computing the receipts, deductions, and obligations in terms of a specie dollar as required by law (CR 21, pp. 63-84, 93-550).

The Commissioner mailed notices of deficiency for 1974 and 1975 on October 13, 1977 (CR 21, pp. 85-92; CR 8, pp. 26-33). The Commissioner determined a deficiency amounting to 8,313.52 for the tax year ended December 31, 1974, and a deficiency of 11,936.00 for the tax year ended December 31, 1975 (CR 21, pp. 85-92; CR 8, pp. 26-33). Taxpayers disputed the computation in the full amount of each deficiency, calculated by the Commissioner in terms of United States notes or private

federal reserve bank notes, rather than in terms of specie dollars.

Taxpayers filed their petition in the United States Tax Court on December 23, 1977, raising these challenges (CR 1, pp. 1-11). The Commissioner filed his answer on January 18, 1978 (CR 3, pp. 12-15).

On October 16, 1978, the Commissioner filed his motion for summary judgment (CR 8, pp. 16-33) supported by a short memorandum of law (CR 9, pp. 49-51). The only support for the Commissioner's motion for summary judgment consisted of Taxpayers' income tax returns for 1974 (CR 8, pp. 4-13) and 1975 (CR 8, pp. 14-25), and the notice of deficiency (CR 8, p. 26).

Taxpayers filed substantial evidence in the form of exhibits and affidavits of expert witnesses in opposition to the Commissioner's motion for

summary judgment, and supported their position by a lengthy memorandum of law (CR 21, pp. 1-650).

The Commissioner, the Tax Court, and the Ninth Circuit all acted upon the erroneous assumption (despite careful explanation of Taxpayers' position) that Taxpayers somehow sought to limit their income to amounts received in gold and silver coin or intended to raise an issue which had already been decided by the courts of the land such as a challenge to the Federal Reserve System or to the legal tender laws. In fact, Taxpayers merely contend that all income and expense items on their income tax returns, in whatever form received, should be reported in terms of specie dollars, which constitute dollars defined out of the Constitution and maintained in parity with gold coins of a specific fineness as required by the existing statutes, 31 USC § 314. Taxpayers'

evidence in opposition to the motion for summary judgment consisted, inter alia, of the following matters:

1. Affidavit of Dr. Ronald D. Finster, Professor of Economics at Oregon College of Education, analyzing the mechanics of currency and price inflation and describing the brake on inflation supplied by a precious metal coinage system (CR 21, pp. 551-580).

2. Affidavit of Professor John Sparks, attorney at law and Professor of Economics and History at Grove City College, Grove City, Pennsylvannia, stating the legal and economic history of the constitutional coinage rights of citizens and concluding that, as a matter of fact, the Constitution requires all taxation imposed by the United States government to be measured against a gold and silver coin specie standard (CR 21, pp. 581-627).

3. Affidavit of Professor Gerald T. Dunne, Professor at Law at St. Louis University, author, banker, and expert in finance, testifying that, as a matter of fact, the constitution commands the use of a precious metal standard for measurement of all tax obligations and that such a constitutional mandate harmonizes with sound economic principles (CR 21, pp. 628-634).

4. Affidavit of Mr. Norman Locke, possessor of a degree in economics and finance and a degree in law, chief operations officer for the premier Oregon coin dealer and trader, declaring that gold and silver coinage offers the best historical hedge against inflation and the strongest protection of purchasing power of earned assets (CR 21, pp. 635-637).

5. Affidavit of Mr. Stephen Davis Hopkins, economist, banker, financial advisor and investment counselor,

testifying to the historical basis for United States constitutional coinage rights and concluding that, as a matter of fact, the Constitution requires all obligations to be stated relative to a gold and silver coin standard (CR 21, pp. 638-650).

6. Affidavit of Taxpayer, Gordon B. Leitch, Jr., with 78 attached exhibits, setting forth in detail Taxpayer's dealings with the Commissioner (CR 21, pp. 93-550); in addition, Taxpayers introduced into evidence in opposition to the motion for summary judgment a copy of Dr. Leitch's first book, The Monetary Errors and Deceptions of the Supreme Court, Scappoose, Oregon: Bicentennial Era Enterprises, Inc., (1978) (CR 21, pp. 113-288A) which outlines the coinage history of the United States and demonstrates by mathematical and historical proof that the Supreme Court decisions upon

which the Commissioner's position rests are mistaken.

At no time did the Commissioner contest any of the factual evidence presented by Taxpayers nor has he challenged the Taxpayers' formula for conversion; the Commissioner presented no counter-affidavits. Despite this state of the record, the Tax Court rendered summary judgment in favor of the Commissioner (Pet. App. B) and the Ninth Circuit affirmed (Pet. App. A).

The jurisdiction of the Tax Court was premised upon 26 USC § 7442, the jurisdiction of the United States Court of Appeals of the Ninth Circuit rested upon 26 USC § 7482, and the jurisdiction of this court is founded upon 26 USC § 7482 and 28 USC § 1254(1).

REASONS FOR GRANTING THE WRIT

The United States Court of Appeals for the Ninth Circuit has decided important questions of federal law concerning the constitutional coinage rights of American citizens which should be finally settled by this court. In addition, the Ninth Circuit has decided subsidiary federal questions in conflict with the applicable decisions of this court.

I. The Constitution and Statutes Compel Measurement of All Income Tax Receipts, Deductions and Obligations at Parity With the Specie Dollar Unit.

The founding fathers intended to restrict both state and federal governments to a specie standard (App. Br. 12-21, App. Br. App. B pp. A-4 - A-13, App. C pp. A-14-

A-19, App. D pp. A-20-A-29).[1] The proceedings of the Continental Congress, the historical reports of the Constitutional Convention, the writings of The Federalist Papers, and contemporaneous notes all prove this proposition beyond cavil. The founders feared paper money and the inflation it would necessarily bring; they foresaw the destruction of the nation which is occurring today as a result of unfettered currency proliferation. They enacted the coinage protections of Article I, Sections 8 and 10, to inhibit and prevent the emission of bills of credit (issuance of paper money unrelated to a specie standard) and capped off the citizens' coinage rights by adopting the Ninth Amendment to assure him of this, among other, protections.

---

[1] In the interest of brevity, Taxpayers will summarize their position in this petition for certiorari and will refer to their briefs at the Ninth Circuit for a more extended analysis of the issues.

In addition, the plain meaning of the constitutional language limits both federal and state governments to the use of specie money (App. Br. 21-25).

Furthermore, deductive reasoning from other constitutional provisions provides an identical answer. Article I, Section 10 of the Constitution states in its second paragraph that:

> "No State shall, without the Consent of the Congress, lay any Imposts or Duties on Imports or Exports, except what may be absolutely necessary for executing its inspection Laws; and the net Produce of all Duties and Imposts, layed by any State on Imports or Exports, shall be for the Use of the Treasury of the United States; . . ."

Since the states are clearly restricted to the use of gold and silver coin in the collection and payments of debts (Constitution, Article I, § 10, Paragraph 1), and since the "net produce" (excess) of all duties and imposts shall be

for the benefit of the federal government, this excess payable in gold and silver coin indicates that the general government is restricted to "money" in the sense of money maintained in parity with coin or specie. Since no provision for a bifurcated "money" system exists, the reading of Article I, Section 10 compliments Article I, Section 8 ("coin money") and requires measurement in relation to specie.

In addition, contemporary and early nineteenth century judicial decisions of this and other appellate courts recognized the citizens' constitutional coinage rights. See, e.g., Sturges v. Crowninshield, 4 Wheat. 122, 205 (1819); United States Bank v. Bank of Georgia, 10 Wheat. 333, 347 (1825); Craig v. State of Missouri, 4 Pet. 410, 432 et. seq. (1830); Gwin v. Breedlove, 2 How. 29, 38-39, 15 U.S. 16, 22 (1844); Hepburn v. Griswold, 8

Wall 603 (1869) (see the analysis in App. Br. 26-44).

Finally, an existing and unrepealed statute, 31 USC § 314, supports by its plain language the position of the Taxpayers in this case (App. Br. 64-67).

Determination of the issue presented to this court requires attention to the precise case presented: The Commissioner and the lower courts have become befuddled and have mischaracterized the Taxpayers' position repeatedly (see, e.g., App. Br. 59-64, and App. Reply Br. 5-9 for an analysis of the precise issue, a rebuttal of the Commissioner's position, and the differences which distinguish the present case from all other decided cases). Among other things, Taxpayers do not contend that only gold and silver coin constitute income, that they have a right to file a Fifth Amendment tax return, that federal reserve notes cannot

be legal tender, that they have a right to redeem paper notes for gold and silver coin, that the Gold Confiscation Acts were illegal, that they possess a right to file false W-4E exemption forms, that the legal tender laws are unconstitutional, or that the monetary system is illegal. To the contrary, they merely contend that they are entitled by the Constitution and existing statute to certain coinage rights which require the United States government to maintain its circulating paper federal reserve notes at parity with the standard of unit of value, the gold dollar set forth at 31 USC § 314, and to measure all income tax receipts, deductions, and obligations in terms of the resulting specie dollar.

II. The Apparently Adverse Supreme Court Decisions Rest Upon Recently Proven and Demonstrable Legal, Mathematical, and Historical Mistake.

The genesis of the Commissioner's position in this case must be found in Knox v. Lee, Parker v. Davis, (The Legal Tender Cases), supra, 79 U.S. (12 Wall) 457, 20 L. Ed. 287 (1870) and Julliard v. Greenman, supra, 110 U.S. 421, 4 S. Ct. 122, 28 L. Ed. 204 (1884). The majority in The Legal Tender Cases, supra, 79 U.S. (12 Wall.) at 554, recognized the extreme importance of the issue presented to it and invited future correction of its opinion should error be deduced:

> ". . . These cases have been heard before a full court, and they have received our most careful consideration. The questions involved are constitutional questions of the most vital importance to the government and to the public at large. We have been in the habit of

> treating cases involving a consideration of constitutional power differently from those which concern merely private right. We are not accustomed to hear them in the absence of a full court, if it can be avoided. Even in cases involving only private rights, if convinced we had made a mistake, we would hear another argument and correct our error. And it is no unprecedented thing in courts of last resort, both in this country and in England, to overrule decisions previously made. . . ."

First, it bears noting that The Legal Tender Cases, supra, and Julliard v. Greenman, supra, both dealt with an issue not before the court in the present case: The question of whether circulating paper currency could operate as a legal tender for all debts public and private. Tax-payers do not contest this proposition. Consequently, neither of the two decisions serve as precedent in support of the

Commissioner and his motion for summary judgment.

Second, recent studies demonstrate that this court committed legal, mathematical, and factual error in reaching its decision in the nineteenth century. Taxpayer's first book, The Monetary Errors and Deceptions of the Supreme Court, supra, spells out in great detail the erroneous portrayals and assumptions of this court in concluding that Congress devalued the gold coinage in 1834 and silver coinage in 1878 so that debts were diminished and could later be satisfied by less coin and less weight, thereby causing creditors a loss. See, The Monetary Errors and Deceptions of the Supreme Court, supra, (CR 21, pp. 113-288A, particularly pp. 55-68). Further explanation appears in Taxpayer's second book, Leitch, Gordon B., Jr., From Dollar to Counterfeit: The Path of American Government Dishonesty,

Scappoose, Oregon: Bicentennial Era Enterprises, Inc. (1981), a copy of which is submitted herewith, labeled Appendix C, and by this reference expressly incorporated herein.

This court has never been chary about altering a position once taken if demonstrable error appears. Compare Swift v. Tyson, 16 Pet. 1, 10 L. Ed. 865 (1942) with Eric R. Co. v. Tompkins, 304 U.S. 64, 58 S. Ct. 817, 82 L. Ed. 1188 (1938), and Plessy v. Ferguson, 163 U.S. 537, 16 S. Ct. 1138, 41 L. Ed. 256 (1896) with Brown v. Board of Education of Topeka, 347 U.S. 483, 74 S. Ct. 686, 90 L. Ed. 873 (1954). Lawyer-writer Paul Bakewell extensively researched several related questions raised by the coinage clauses of the Constitution. He submitted his findings to Mr. Justice Owen J. Roberts during the latter's retirement, prompting Mr. Justice Roberts to respond in part:

> "I am very much impressed with the work, and I think you have greatly improved its form since I saw your draft. The only way I can account for the Court's failure to notice the material to which you call attention is that nobody concerned in the case on either side called the Court's attention to it. Everybody seemed to assume the power to do what the Congress and the President had done, and then make the impossible claim that they must be paid in depreciated currency in an amount that would equal the original gold value. It seems to me a pity that your brief was not received by the Court. It would at least put the Court on notice of the material involved."

(The entire letter is reproduced as Appendix D). This record provides the necessary scholarly research and expert testimony to raise serious questions about the accuracy of prior court decisions. Given the financial straits of the present, few issues are of greater moment and more deserving of this court's attention.

This court was unsure of its premises in The Legal Tender Cases, supra, and invited correction. Taxpayers have submitted the necessary correction and seek relief.

III. The Legal Tender Cases, Supra, Support Taxpayers on the Issue Now Before this Court, and the Ninth Circuit Erred in Deciding This Case in Contravention to the Dictates of the United States Supreme Court.

The majority in The Legal Tender Cases, supra, 12 Wall. at 553, held:

> ". . . It is, then, a mistake to regard the Legal Tender Acts as . . . making that money which has no intrinsic value"

The Commissioner concedes that paper currency currently circulating possesses no intrinsic worth: On June 3, 1974, Mr. Henry C. Stockell, Jr., acting

general counsel, United States Department of the Treasury, wrote the Taxpayers:

> "In your letter of May 27 you ask whether the paper money currently in circulation in this country has an intrinsic value.
>
> No paper money - whether in this country or elsewhere - has intrinsic worth. The value of our dollar lies in its use as a medium of exchange, and is measured by the value of the goods and service it will buy." (CR 21, p. 289, Exhibit B to Leitch Affidavit).

As noted, this court's decisions do not decide the issue now present; the earlier cases deal with a wholly separate problem, the validity of the Legal Tender Acts. As the foregoing quotation proves, The Legal Tender Cases, supra, support Taxpayers' position by demonstrating that paper lacking intrinsic worth and unrelated in parity to the specie dollar cannot act as the money measure in income tax affairs.

IV. The Tax Court Could Not Properly Grant Summary Judgment in Favor of the Commissioner in the Face of Existence of Questions of Fact.

Taxpayers challenge the computation and calculation of their income tax liability and every portion thereof (CR 1, pp. 1-5). They submitted several hundred pages of exhibits and affidavits in support of their position; their adversary submitted no affidavits and relied upon the two income tax returns and the notice of deficiency. Taxpayers' evidence must be considered true for the purposes of evaluating the propriety of an order granting summary judgment. Alvey v. United Airlines, Inc., 494 F.2d 1031 (D.C. Cir. 1974); Apple Valley Bldg. & Develop Co. v. Bonanza Airlines, Inc., 423 F.2d 661 (9th Cir. 1970).

The trial court may not grant a motion for summary judgment where a genuine

dispute regarding a material fact exists. Poller v. Columbia Broadcasting System, 368 U.S. 464, 82 S. Ct. 486, 7 L. Ed.2d 458 (1962); Fortner Enter. v. United States Steel Corp., 394 U.S. 495, 500, 89 S. Ct. 1252, 22 L. Ed.2d 495 (1969) [reversed other grounds, 429 U.S. 610, 97 S. Ct. 61, 51 L. Ed.2d 80 (1977)]. The calculation and computation of income taxes presents questions of mathematical fact. Taxpayers' uncontradicted experts, men clearly qualified in law, economics, finance, history and banking, testified that Taxpayers properly calculated their taxes as a matter of historical fact. On the basis of this record, the Tax Court and the Ninth Circuit erred in granting a summary judgment.

CONCLUSION

For the foregoing reasons, this petition for writ certiorari should be granted.

Respectfully submitted,

SCHWABE, WILLIAMSON, WYATT, MOORE & ROBERTS

By: _____
RIDGWAY K. FOLEY, JR.
of Attorneys for
Petitioners

APPENDICES

APPENDIX A

APPENDIX A

UNITED STATES COURT OF APPEALS

FOR THE NINTH CIRCUIT

GORDON B. LEITCH, JR., and MARY C. LEITCH,	)	
Appellants,	)	No. 79-7286
v.	)	Tax Ct. No. 12669-77
COMMISSIONER OF INTERNAL REVENUE,	)	MEMORANDUM
Appellee.	)	

Appeal from the United States Tax Court

Argued and submitted May 4, 1981

Before: GOODWIN and ALARCON, Circuit Judges, and SCHWARZER*, District Judge

---

*The Honorable William W. Schwarzer, United States District Judge for the Central District of California, sitting by designation.

The Tax Court's grant of summary judgment to the Commissioner is affirmed. Taxpayers' contention that income received in federal reserve notes (paper currency) is taxable only at a discounted "specie"

dollar value (reflecting the extent to which the notes are backed by gold reserves), rather than at face value, is frivolous. United States v. Wangrud, 533 F.2d 495 (9th Cir. 1976), cert. denied, 429 U. S. 818 (1976).

APPENDIX B

APPENDIX B

T.C. MEMO. 1979-75

UNITED STATES TAX COURT

GORDON B. LEITCH, JR., and MARY C. LEITCH, Petitioners v. COMMISSIONER OF INTERNAL REVENUE, Respondent

Docket No. 12669-77. Filed March 7, 1979

Ridgway K. Foley, Jr., for the petitioners.

Ralph W. Jones, for the respondent.

MEMORANDUM OPINION

Wiles, Judge: This matter is before the Court on respondent's "Motion For Summary Judgment" filed October 16, 1978, pursuant to Rule 121, Tax Court Rules of Practice and Procedure.

Respondent determined deficiencies of $8,313.52 and $11,936.00 in petitioners' 1974 and 1975 Federal income tax. Petitioners were residents of Portland, Oregon, when they filed their 1974 and 1975 returns with the Western Region Internal Revenue Service Center in Ogden, Utah, and when they filed their petition in this case.

Respondent, in his notice of deficiency, determined that petitioners understated their taxable income by $34,799 in 1974 and by $40,267 in 1975. On the returns in question, petitioners made downward adjustments to their reportable income by converting Federal Reserve notes received to "specie" dollars -- those related to gold and silver coin. They contend that gold and silver are the only measures of money defined in the Constitution. Thus, they do not contend Federal Reserve notes are not income --

they contend that they are taxable only to the extent they relate to gold and silver, the Constitutional measures of money.

Despite petitioners strenuous arguments to the contrary, this is not a new, novel and undecided area of the law. This Court has consistently upheld the Constitutional taxability of Federal Reserve notes as income and always at their face value -- not a discounted specie dollar value. We noted in Hatfield v. Commissioner, 68 T.C. 895, 897 (1977):

> The courts have uniformly held that Federal Reserve notes constitute legal tender -- "money" -- which must be reported on a taxpayer's return in accordance with his method of accounting; and they have uniformly rejected, in a summary fashion, all arguments to the contrary. * * *

We adhere to our prior position. See also Sibla v. Commissioner, 68 T.C. 422, 430-431 (1977); Gajewski v. Commissioner, 67 T.C. 181, 193-194 (1976), affd. without opinion

578 F. 2d 1383 (8th Cir. 1978); Hartman v. Commissioner, 65 T.C. 542, 547 (1975); Cupp v. Commissioner, 65 T.C. 68, 84 (1975), affd. without opinion, 559 F.2d 1207 (3d Cir. 1977).

Accordingly, respondent's motion is granted and, An appropriate order will be issued.

APPENDIX C

APPENDIX C

Appendix C is a copy of Petitioners book separately enclosed with Petitioners Petition for Writ of Certiorari. Leitch, Gordon B. Jr., From Dollar to Counterfeit: The Path of American Government Dishonesty (Scappoose, Oregon: Bicentennial Era Enterprises, 1981).

FROM DOLLAR TO COUNTERFEIT

The Path of American Government Dishonesty

By

Gordon Leitch, Jr.

Price:

8 Bank Notes

or

8 United States Notes

or

1/2 Dollar in Gold

91-156

FROM DOLLAR
TO
COUNTERFEIT

The Path of American Government Dishonesty

by

GORDON LEITCH, JR.

FIRST EDITION

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DEDICATED
TO

Monetary Systems Made Honest by Their
Foundation Upon a Circulating Gold Coinage

AND TO

The Working Man Who Is Defrauded
of the Fruits of His Labor and Constitutional Rights
by Paper Used as a Money

"We have an irredeemable currency, and such a currency, regardless of the variety of forms it may take, is a debauched currency. It is a dishonest currency and, of necessity, rests upon a standard of dishonesty in our behavior. It was introduced in this country by government repudiation of its contract to bondholders, by administrative violation of pre-election commitments, and by misstatement of fact as to the ability of our nation's gold stock to support a redeemable currency. Where dishonesty enters, evil begins."

Walter E. Spahr, Ph.D. (1891-1970)
Chairman, Department of Economics,
New York University 1928-1956.

Executive Secretary, Economists'
National Committee on Monetary
Policy 1933-1970.

"Their paper money system, founded in oppression and fraud, they are determined to support at every hazard."

James M. Varnum to General Washington
Newport, June 18, 1787
Page 47, Records of the Federal
Convention of 1787, Vol. 3
1937 Revised Edition, Yale
University Press
Documentary History of the
Constitution, I, 277-279.

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Gordon Leitch, Jr.

Portland, Oregon
May, 1981

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INTRODUCTION

The concept that there is not a dollar in circulation will be difficult for most to grasp. It will be equally difficult for many to grasp the relationship between inflation and the lack of a circulating dollar. Few, if any, recognize that they had one of their most basic constitutioinal rights — their coinage and monetary rights — taken from them almost fifty years ago. Only a handful, if that many, recognize the tax savings to be achieved through the use of dollars in tax matters.

The reason for these concepts being difficult to recognize are perhaps threefold. First, there has been, and is virtually no education in basic monetary matters and concepts, which naturally results in a non-educated public. As a corollary with this is a complete lack of education of the people to their constitutional money rights. Second, any attention or concern in this matter is attempted to be blunted by offering a high and steady dose of diversionary entertainment, e.g. sports, television. Third, the people have been mesmerized into believing that a substitute for money is money itself, and to seek after this substitute rather than insist upon and claim their rights to money itself.

The problem of basic monetary knowledge is not new. It was recognized by John Adams in a letter to Thomas Jefferson August 25, 1787, when he wrote, "All the Perplexities, Confusions and Distresses in America arise not from defects in their Constitutions or Confederation, not from a want of Honour or Virtue, So much as from downright Ignorance of the Nature of Coin, Credit and Circulation."[1]

In an attempt to establish some basic monetary knowledge, and bring the reader to recognize his basic monetary rights under the Constitution, the following pages are devoted to showing and proving the transition from dollar to counterfeit.

1 Lester J. Cappon, ed. "The Adams-Jefferson Letters," I, 191-192.

Chapter I

HISTORY OF THE WORD "DOLLAR"

While some authorities[1,2] trace the origin of the word "dollar" from the German word "thaler," Del Mar[3] asserts that "dollar" originates from the ancient Gaelic language, and that the German "thaler" is of Gaelic origin. This is likely correct, for according to the World Book Encyclopedia[4,5] the Gaels were a branch of the Celtic-speaking peoples, the Celts being a people found mainly in Southwestern Germany, about whom little was known until roughly 500 B.C. The Gaelic division of the Celts later spread over most of Western Europe, including the British Isles, where they divided further into two branches. One branch (ca. 400 A.D.?), which included the Irish, Manx, and Highland Scots, spoke *Gaelic*. The other branch spoke *Brythonic*, and included the Welsh, Cornish, and Bretons.

In Gaelic, "dol" means a valley, and "ard" means a hill. Hence "dollard" — a valley closed in by hills.[6] In German, "thal" means a valley, and "thaler" one who belongs to or is from a valley.

The word "dollar" became connected with a coin in 1517 or 1518, when Count Stephen Schlick, a feudal lord of Bohemia had silver coins of high purity and uniformity struck at a mint in Joachim's Thal, or Joachim's Valley, in Bohemia, the sliver having come from a rich mine discovered on his estate on the south slope of the Erzgebirge Mountains. From the name of the Count, these coins were known as Schlicktenthalers, and from the locality of their coinage, as Joachimsthalers. It was

1 Robert Shaw, "History of the Dollar," *THE ANALYSTS JOURNAL* (May, 1958)
2 Murray N. Rothbard, *What Has Government Done to Our Money?*, 2nd ed., p. 6.
3 Alexander Del Mar, *Money and Civilization*, p.105.
4 Wilton M. Krogman, "Celt," *World Book Encyclopedia*, Vol. 3, p. 253.
5 Vivian Mercier, "Gaelic Language," *World Book Encyclopedia*, Vol. 8, p. 5.
6 Del Mar, op. cit., p. 105.

not long before they became known by the abbreviated word, "thaler," which transliterated into "dollar" in English.

From the popularity they gained as a result of their honesty and lack of debasement, they circulated readily in Bohemia, the Low Countries of Europe, and other foreign nations. They were known to Elizabethan England, with the word "dollar" being used or played upon four times by Shakespeare.

It is found in his works in:

THE TEMPEST, Act I, Scene 2:

Gonazlo. When every grief is entertain'd that's offered, comes to the entertainer —
Sebastian. A dollar.

MEASURE FOR MEASURE, Act I, Scene 2, where the word used — dolour — is a quibble on "dollar":

Lucio. Behold, behold, where Madam Mitigation comes! I have purchased as many diseases under her roof as come to —
Second Gentleman. To what, I pray?
Lucio. Judge.
Second Gentleman. To three thousand dolours a year.
First Gentleman. Ay, and more.
Lucio. A French crown more.

MACBETH, Act I, Scene 2:
Ross. That now
Sweni, the Norway's King, craves composition;
Nor would we deign him burial of his men
Till he disbursed at Saint Colme's inch
Ten thousand dollars to our general use.

and *KING LEAR, Act II, Scene 4,* where again the word used — dolour — is a pun on "dollar":

> *Fool.* . . .
> But, for all this, thou shalt have as many dolours for thy daughters as thou canst tell in a year.

Shakespeare notwithstanding, however, the dollar as a monetary, coin unit was not adopted in America from England, where the pound was supreme, but instead arrived via Spain. This occurred through Spain being the predominant country of the time when the "thalers" were minted. Charles II was on the Spanish throne, and in 1519 became Holy Roman Emperor. He is said to have been impressed with how well the thaler was honored and circulated, such that he wished to have a similarly honest coin for circulation in his realm.

Accordingly, he ordered 8 reals of sliver, the real (royal) being the Spanish monetary unit coin at the time and weighing 53 grains troy, to be coined into one piece known as the peso (from the Latin, *pensum*, meaning weight) and which weighed therefore 8x53=424 grains troy. The gross weight of the thaler was 451 grains troy, thus there was a similarity in weight between the two coins. This weight similarity led to the name "dollar" being applied to both coins, with the Spanish coin becoming the more prevalent in trade by reason of the commercial and political position of Spain at the time. The thing that thus came to be known as a dollar is in reality a multiple of the Spanish real. In reference to the number of reals these Spanish pieces contained they were called "piecas de a ocho", or pieces of 8, by which name they were known in England and North America. They were also known as the "Spanish Dollar", and were quite common in the North American colonies, particularly since a proclamation of Queen Anne in 1704 gave currency in the colonies to the Spanish dollar and its fractions, making them a lawful currency in British America. There also circulated silver coins of 4, 2, 1, and ½ "reals". Because of the 8 reals, or 8 pieces that made up the large single piece, or peso, and the

custom of circulating single or multiple reals as bits of the whole peso, the quarter dollar was often referred to the "2 bit piece" and the half dollar the "4 bit piece".

As a result of the maritime trade and piracy, the Spanish milled dollar became a very well-known coin in the colonies, milled meaning that the coin edge was serrated to prevent it from being clipped or otherwise tampered with. It is this coin — the Spanish milled dollar — which was adopted as the monetary unit of the United States.

Chapter II

ADOPTION OF THE DOLLAR BY THE CONTINENTAL CONGRESS AS THE MONETARY UNIT OF THE UNITED STATES[1]

The adoption of the dollar as the monetary unit of the United States took some 9 years to achieve, with much of the delay in the process being attributable, undoubtedly, to the occurrence of the Revolutionary War. The first step taken toward adoption was the appointment of a committee by the Continental Congress on April 19, 1776, to determine the value of the different kinds of gold and silver coins current in the colonies, and the value of each in relation to the Spanish milled dollar, this being as noted earlier, a silver coin of certain weight and purity with serrations, or "milling," on its edge to discourage clipping.

This appointment was made by the following resolve:

> "Resolved that a committee of seven be appointed to examine and ascertain the value of several species of gold and silver coins current in these colonies and the proportion they ought to bear to Spanish milled dollars.
>
> The members chosen: Mr. Duane, Mr. Wythe, Mr. J. Adams, Mr. Sherman, Mr. Hewes, Mr. Johnson, and Mr. Whipple."

The following is a copy of the resolution from the original record, April 19, 1776:

1 Material for this chapter was taken from the National Archives Microfilm Publications, Microcopy No. 247, Papers of the Continental Congress, 1774-1789, Roll 33, Item No. 26, Reports of Committees on Treasury and Finance, 1776-1788. The cover page and explanatory notes of this microcopy are reproduced in Apendix A. pp. 89-91.

Friday April 19. 1776.

A Letter of the 2d. from governor Trumbul with a petition from Noah Phelps being laid before Congress was read
Resolved That they be referred to the committee on petitions
Resolved That a committee of seven be appointed to examine and ascertain the Value of the several species of gold & silver coins current in these colonies & the proportion they ought to bear to Dollars. —
The members chosen Mr Deane, Mr Wythe, Mr J. Adams Mr Sherman, Mr Reves, Mr Johnson & Mr Whipple.

The committee submitted its report the follcwing month on May 22, 1776, with the event being duly noted in the congressional journal by the following terms:

"The committee, appointed to examine and ascertain the value of the several species of gold and silver coins current in these colonies and the proportion they ought respectively to bear to Spanish Milled Dollars, brought in their report which was read.

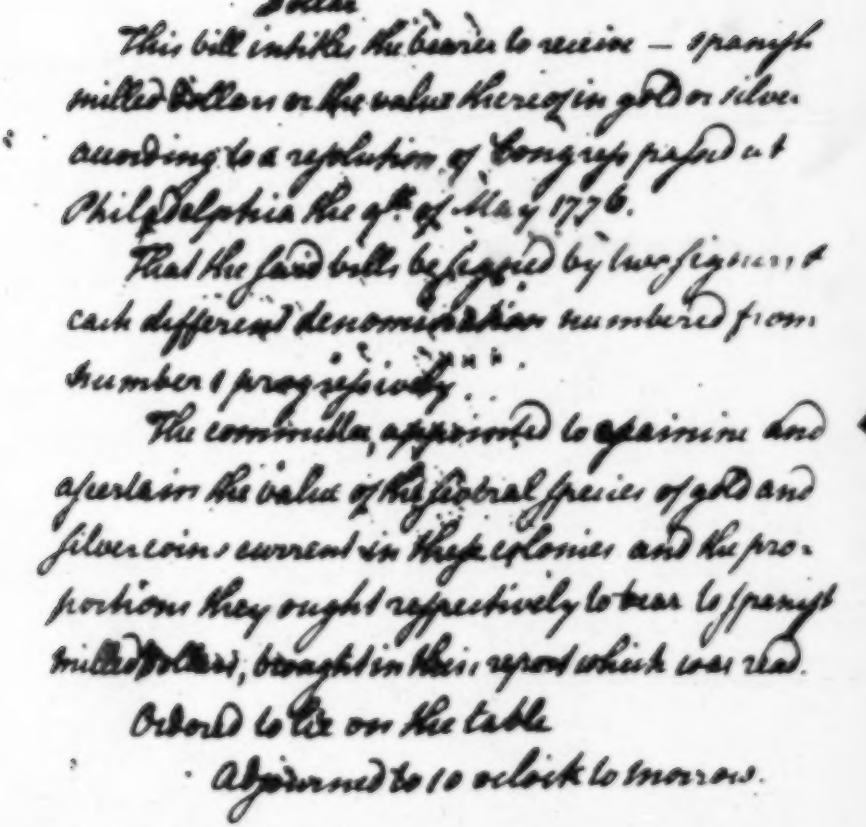
Ordered to lie on the table."

The copy of the original journal showing the receipt of this report is reproduced below:

1776

May 22d. 9th of march last

That the printer employed for the two last emissions shall be used in the emission now directed, and that he be employed in the following work



Dollar

This bill inhibits the bearer to receive — spanish milled dollars or the value thereof in gold or silver according to a resolution of Congress passed at Philadelphia the 9th of May 1776.

That the said bills be signed by two signers & each different denomination numbered from number 1 progressively.

The committee appointed to examine and ascertain the value of the several species of gold and silver coins current in the colonies and the proportions they ought respectively to bear to spanish milled dollars, brought in their report which was read.

Ordered to lie on the table

Adjourned to 10 o'clock to morrow.

This report makes interesting and important reading, for not only does the table which is set forth establish beyond any possible doubt that a coin in the form of a Spanish milled dollar is the monetary unit of the States, but also the age old dishonesty of attempting to make that of less value equal to that of more value — in this case paper equal to gold and silver — is again committed.

It is further irony that the committee recommends that those who do not consider paper as equal in value to gold and silver be declared an enemy of liberty, when the use of paper itself as a money is an inherent form of dishonesty, and itself an enemy of liberty. The truth of this is historically documented by the inflation of the revolutionary period ("not worth a Continental"), the

greenback inflation of the Civil War (Legal Tender Acts), and the present inflation wrought again by foolish and irresponsible government engaging in theft from its citizens and repeating the proven mistakes of history.

The report is reproduced below from the Journals of Congress, Volume IV, May 22, 1776, pages 381-383. The rough draft of the committee is reproduced in Appendix A, pages 92-93, followed by the finished report on pages 94-96.

COMMITTEE REPORT

The committee, appointed to examine and ascertain the value of the several species of gold and silver coins current in these colonies, and the proportions they ought respectively to bear to Spanish milled dollars, brought in their report, which was read:

The Committee appointed on the 19th of April, to ascertain the value of the several species of gold and silver current in these colonies, and the proportion they and each of them bear and ought to bear to Spanish milled dollars, have taken the same into consideration and, thereupon, came to the following resolutions:[1]

Whereas, the holders of bills of credit emitted by authority of Congress will be entitled, at certain periods appointed for redemption thereof to receive out of the treasury of the united colonies the amount of the said bills in spanish milled dollars, or the value thereof in gold or silver; and the value of such dollars, compared with other silver and with gold coins, is ~~adjusted~~ estimated by different standards in different colonies, whereby injustice may happen in some instances to the public, as well as to individuals which ought to be remedied. And whereas the ~~said bills, having been issued at the full value therein expressed, their credit,~~ credit of the said bills, as current money ought to be supported by the inhabitants of these colonies, for whose benefit they were issued at the full value therein expressed, and who stand bound to redeem the same, according to the like value; *And the pernicious Artifices of the Enemies of American Liberty to impair the Credit of the said Bills by raising the nominal Value of Gold and Silver ought to be guarded against and prevented*,[2] Therefore,

[1] This paragraph is in the writing of Charles Thomson.

[2] The sentence in italics is an addition or amendment, in the writing of James Duane.

Resolved, that the several gold and silver coins passing in the said colonies shall be received into the public treasury of the continent, and paid out in exchange for bills emitted by authority of Congress, when the same shall become due, at the rates set down in the following table:[3]

	Weight— dwt.	gra.	Value in Dollars.
English Guinea	5	6	4⅔
French Guinea	5	5	4⅓
Johannes	18	0	16
half Johannes	9	0	8
Spanish Pistole	4	8	3⅔
French ditto	4	4	3⅓
Doubloon	[4]		[4]
Moidore	6	18	6
English Crown			1⅓
French Crown			1⅓
English Shilling			0⅔
Spanish milled Dollar[3]			1 Dollar of continental money.[3]

Resolved, that a deduction at the rate of one twenty ninth part of a Dollar per Grain shall be made on all gold coins falling short of the weight specified in the aforesaid Table, and an advance at the same rate shall be allowed on such as exceed the aforesaid weight.[1]

Resolved, that ~~the value of all other gold coin current in these Colonies~~ all parts of the several Gold Coin before enumerated shall be rated in Just proportion ~~to those contained in~~ according to the foregoing table ~~according to their weight and fineness~~: and that Gold ~~not coined~~ in Bullion shall be at the rate of Seventeen Dollars per ounce Troy weight Sterling alloy, and silver at one Dollar and one ninth of a Dollar per ounce.[1]

Resolved, that all bills of credit emitted by authority of Congress ought to pass current in all payments trade and dealings in these colonies, and be deemed equal in value to gold and silver, according to the rates set down in the foregoing table; and that whosoever shall offer, demand, or receive more in the said bills for any gold or silver coins, or bullion, than at the rates aforesaid, or more of the said bills for any Lands, houses, goods, wares, or merchandize, than the nominal sum at which the same might be purchased of the same person

[3] The table is in the writing of Roger Sherman.
[4] The paper has been eaten away in these places.
[5] These words are in the writing of James Duane.

---

[1] This paragraph is in the writing of Roger Sherman.

with gold or silver, every such person ought to be deemed an enemy to the liberties of these colonies, and treated accordingly, being duly convicted thereof before the committee of inspection ~~of the place where he resides~~ [of the City, County or District, or in Case of Appeal from their Decision before the Assembly, Convention, Council or Committee of Safety, of the place where he shall reside, or before such other Persons or Courts as have been or shall be Authorized by the General Assemblies or Conventions of the Colonies respectively to hear and determine such offences].[1]

Ordered, To lie on the table.

Adjourned to 10 o'Clock to Morrow.

[1] The words in brackets were inserted in the report by James Duane. This report, in the writing of George Wythe, save as otherwise noted, is in the *Papers of the Continental Congress*, No. 26, folio 1.

On Wednesday, July 24, 1776, it was resolved on a motion to recommit the report of the committee on gold and silver coins, and to add Mr. Jefferson to the committee.[1] This revised committee brought in their report regarding this subject of the value of the several species of gold and silver coin current in the states on September 2, 1776. It is reproduced here from the Journals of Congress for that date:[2]

REVISED COMMITTEE REPORT

The committee to whom was recommitted the report of the committee appointed to ascertain the value of the several species of gold and silver [coins] current in these states, and the proportion they and each of them bear and ought to bear to Spanish milled dollars, brought in their report, which was read:

The Committee, to whom was recommitted a report from a Committee appointed to ascertain the value of the several species of gold and silver current in these states, and the proportion they and each of them bear and ought to bear to Spanish milled dollars, have taken

1 Journals of Congress, Vol. V, July 24, 1776, p. 608
2 Ibid., pp. 724-728.

the same into consideration and thereupon come to the following resolutions:

Whereas, the holders of bills of credit emitted by authority of Congress will be entitled at certain periods, appointed for redemption thereof to receive out of the Treasury of the United States the amount of the said bills in Spanish milled dollars, or the value thereof in gold and silver; and the value of such dollars is different in proportion as they are more or less worn, and the value of other silver, and of gold coins, and also of bullion, when compared with such dollars, is estimated by different rules and proportions in these states, whereby injustice may happen to individuals, to particular states, or to the whole Union as well in paiments into, as out of the Treasury, which ought to be prevented by declaring the precise w[illegible]ght and fineness of the s'd Spanish milled dollar ~~which is to be considered as the American~~ now becoming the Money-Unit or common measure of other coins in these states, and by explaining the principles and establishing the rules by which ~~other coins and bullion~~ the said common measure shall be applied to other coins and to bullion in order to estimate their comparative value ~~be thence known and estimated~~ at the s'd Treasury.

Resolved, that it is the opinion of this Committee that all paiments made into or out of the said Treasury ought in good faith to be ~~measured~~ estimated by the Spanish milled dollar, otherwise called the Pillar piece of eight, as it comes from the mint, new and unworn; ~~and that~~ in ~~such~~ which state it's ~~absolute~~ weight is 17 dwt. 9 grs. Troy weight, ~~which is made up of six~~ containing sixteen pennyweight, one grain, fourteen and an half mites of fine silver, and one pennyweight, seven grains, five and an half mites of fine copper alloy; ~~and that according to the usual course of merchandize neither the said alloy nor the charges of coinage are estimated in the value of coin or bullion and that the value of all coins and of bullion as estimated in commerce is in proportion to the quantity of fine metal they contain, without regard to workmanship, or the alloy mixed therewith.~~ but that according to the course of merchandize neither the said alloy nor the expences of coinage should be considered as any addition to the value of the said coin.

Resolved, that it is the opinion of this Committee that all ~~gold~~ silver coins or bullion paid into or out of the sd treasury ought to be estimated in such paiment according to the quantity of fine silver they contain.

Resolved, that it is the opinion of this Committee that all gold coins or bullion paid into or out of the said treasury ought to be estimated in such paiment according to the quantity of fine gold they contain

and the proportional value, which the value of fine gold bears to that of fine silver in those foreign markets at which these states will probably carry on commerce; but as the said proportion is different at different those markets, it is further the opinion of this committee that the several proportions at the said markets before mentioned should be averaged and such averaged proportion be observed at the said treasury.

Resolved, that it is the opinion of this Committee, after due enquiry made, that the several proportions between the value of equal weights of fine silver and of an equal quantity weight of fine gold, at the said markets before mentioned, is at present, when averaged nearly as one to fourteen and three fourths one half, and that this proportion should be observed at the sd treasury. but as in long tracts of time the proportional values of gold and silver at market are liable to vary, whenever such variation shall have become sensible, this house ought to make a corresponding charge in the rates at their treasury.

Resolved, that it is the opinion of this committee, after due enquiry made into the fineness of the coins below hereafter mentioned, that taking into consideration the quantity of fine metal gold or silver they contain, and the proportional value before mentioned between equal weights of gold fine gold and fine silver, their values expressed in Dollars, or Units and Decimals, by decimal notation in Dollars and parts of a dollar are as follows:
and that the said coins when of the absolute weight there stated should be paid and received at the said treasury for so many Dollars and parts of a dollar as is there expressed, and when of a greater or lesser weight should be paid and received for a proportionably greater or lesser number of dollars and parts of a dollar.

Resolved, that all other silver coins not specially named in the sd table, and all silver bullion, should be paid and received at the sd Treasury paid or received at the said treasury, be estimated in receipt and paiment at the sd treasury in dollars and parts of a dollar in proportion to the fine silver they respectively contain; and all gold coin and bull. not specially named, and gold bullion, be estimated in dollars and parts of a dollar in the compound ratios of the quantity of fine gold they contain, and of the afore mentioned proportion between the value of equal weights of fine gold and fine silver and that no value be put allowance be made in either case for the value of the alloy nor for the charges of coinage or workmanship.

Resolved, that assays should be made as soon as conveniently may be of the fineness of such other coins not stated in the aforesaid said table as are in circulation within these states, and that they should be inserted

in the said table, together with their values in Dollars and parts of a dollar, in order to render the same more full and adequate to the purposes of public convenience.

And whereas, the credit of the said bills as current money ought to be supported at the full value therein expressed by the inhabitants of these states, for whose benefit they are issued, ~~at the full value therein expressed,~~ and who stand bound to redeem the same according to the like value, and the pernicious artifices of the enemies of American liberty to impair the credit of the said bills by raising the nominal value of gold and silver ought to be guarded against and prevented.

	Proportion of fine metal.	Weight.	Fine metal.	Value in Dollars.	Weight equivalent to dollar.	Value of a dwt. in dollars.
SILVER COINS	oz. dwt.	dwt. grs.	dwt. grs.		dwt. grs.	
The Pillar piece of eight, or Spanish milled dollar	a11 2	17 9	16 1.725	1	17 9	0.057563
The old Ecu of France, of 60 sols Tournois, or French crown	a11 1	17 12	16 2.75	1.002637	17 18.886	.057294
The English Crown	a11 2	19 5.5	17 21.675	1.113941	17 9	.057563
The English shilling	a11 2	3 20.9	3 13.935	.222788	17 9	.057563
The English sixpence	a11 2	1 22.45	1 15.967	.111394	17 9	.057563
GOLD COINS	Carats. grs.					
The old Spanish Double Doubloon	21 23½	17 8	15 20.972	14.321325	1 a.047	.826230
The old Spanish Pistole	21 23½	4 8	3 23.243	3.580333	1 5.047	.826230
[The Johannes of Portugal. The half Johannes.]b						
The Double Moeda of Portugal	21 23½	6 22	5 7.95	5.712035	1 5.061	.825836
The Moeda of Portugal	21 23½	3 11	2 23.975	2.856017	1 5.061	.825836
The old Louis d'or of France	21 23½	4 8	3 23.243	3.580333	1 5.047	.826230
The new Louis d'or of France	21 22½	5 5.4	4 15.678	4.509871	1 5.102	.824684
The English Guinea of William III	22 0	5 9.438	4 22.651	4.460801	1 5.020	.827014
The English half Guinea of William III	22 0	2 16.719	2 11.325	2.230150	1 5.020	.827014
The Hungary Ducat	23 2	2 5.666	2 5.616	1.940356	1 3.658	.867736
The Ducat of Holland, coined ad legem imperii of Campen in Holland of the bishop of Bamberg of Brandenburgh of Sweden of Denmark	23 2	2 5.5	2 3.456	1.934329	1 3.658	.867736
of Poland	23 2	2 5	2 2.975	1.910251	1 3.658	.867736
of Transylvania	23 1½	2 4.75	2 2.689	1.905493	1 3.683	.866954
of the Duke of Hanover	23 2	2 5.25	2 3.216	1.925288	1 3.658	.867736
The Double Ducat of the Duke of Hanover	23 2	4 10.5	4 6.432	3.850581	1 3.658	.867736
Chequins of Venice	23 3½	2 5.75	2 3.837	1.948631	1 3.583	.870086

a In the pound weight.

b These words are struck out.

Resolved, that all bills of credit emitted by authority of Congress ought to pass current in all paiments, trade, and dealings in the states, and be deemed equal in value to gold and silver, according to the preceding rates and resolutions; and that whosoever shall offer, demand or receive more in the said bills for any gold or silver coins or bullion than is before rated, or more of the said bills for any lands, houses,

goods, wares or merchandize than the nominal sum at which the same might be purchased of the same person with gold or silver, every such person ought to be deemed an enemy to the liberties of these ~~colonies~~ states, and treated accordingly, ~~being~~ on conviction before such ~~persons or~~ judicature as have been or shall be authorised ~~by the Assemblies~~ to hear and determine ~~the sd off~~ such offences by the Convention or assembly of the state wherein the offence shall be committed; but where no such judicature is as yet established, ~~such conviction the sd~~ Conviction may be had before the committee of inspection of the city, county, or district where the said offence shall be committed, with liberty of appeal to the Assembly or Convention of such state, until ~~by~~ the sd Assembly or Convention shall establish such judicature.

Ordered, To lie on the table.[1]

[1] This report, in the writing of Thomas Jefferson, was recently found in the Jefferson Manuscripts, in the Library of Congress. With it are some memoranda and calculations, evidently used in preparing the report, but they are not printed in this place.

In view of these committee reports, there clearly can be no doubt as to what was meant by a dollar in the minds of the men who established this country and wrote the Constitution.

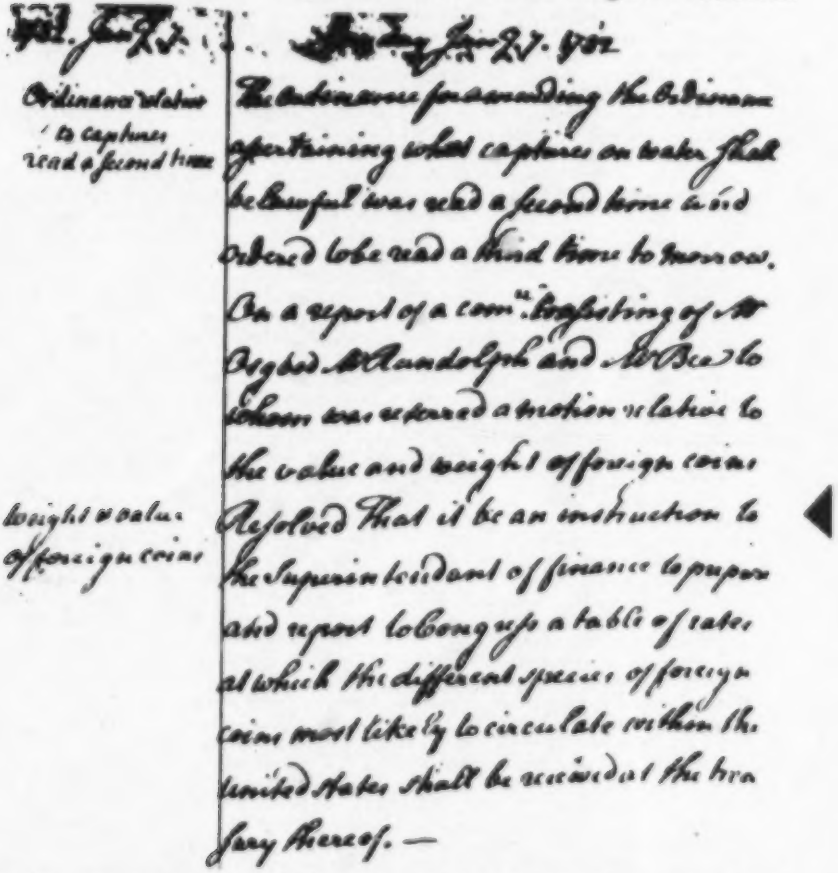
Following these reports, and undoubtedly due to the important declaration of July 4, 1776, little more was done about the monetary system until the conclusion of the Revolutionary War in the next decade. A report of the Committee of Ways and Means was made on April 20, 1777,[1] respecting the establishment of a mint to coin money, plus some other aspects of the money of the period, but it was not until around 1782 that the matter of the coinage for the newly emerging States was again seriously considered.

This consideration was in the form of a resolve by Congress on January 7, 1782, to the Superintendent of Finance to prepare a report regarding the rate at which foreign coins circulating within the United States should be received at the treasury. This is the resolve in modern print:

1 See Appendix A, pp. 97-98, for a reproduction of this report and a modern printing.

"Resolved that it be an instruction to the Superintendent of finance to prepare and report to Congress a table of rates at which the different species of foreign coins most likely to circulate within the United States shall be received at the treasury thereof."

And here is the reproduction of the original resolve:


Ordinance relative to captures read a second time

The Ordinance for amending the Ordinance ascertaining what captures on water shall be lawful was read a second time & ordered to be read a third time to morrow.

On a report of a com.ee consisting of Mr Osgood Mr Randolph and Mr Bee to whom was referred a motion relative to the value and weight of foreign coins

weight & value of foreign coins

Resolved That it be an instruction to the Superintendant of finance to prepare and report to Congress a table of rates at which the different species of foreign coins most likely to circulate within the United States shall be received at the treasury thereof. —

On January 15, 1782, Robert Morris, the Superintendant of Finance submitted his requested report. This was in the form of a letter to Congress, which was later printed as part of a twelve page folio pamphlet dealing with the coinage question. Reproduced here is the printed report of Mr. Morris:

Office of Finance, *January* 15, 1782.

SIR,

FINDING by the act of the United States in Congreſs, of the ſeventh inſtant, that I am inſtructed to prepare and report a table of rates at which the different ſpecies of foreign coins moſt likely to circulate within the United States ſhall be received at the treaſury, I have been induced again to turn my attention to an object which has employed my thoughts very frequently, and which would have been long ſince ſubmitted to Congreſs, had I not been prevented by other buſineſs, and much delayed by thoſe things relating to this buſineſs, which depended upon others. I ſhall now pray leave to deliver my ſentiments somewhat at large on this ſubject.

The United States labour under many inconveniences, and even diſadvantages, which may at preſent be remedied; but which, if ſuffered to continue, would become incurable, and lead to pernicious conſequences. It is very fortunate for us, that the weights and meaſures uſed throughout America are the ſame. Experience has ſhewn in other countries, that the efforts of the legiſlature to change weights and meaſures, although fully ſeconded by the more enlightened part of the community, have been ſo ſtrongly oppoſed by the popular habits and prejudices, that ages have elapſed without producing the deſired effect. I repeat therefore, that it is happy for us to have throughout the union, the ſame ideas of a mile and an inch, a hogſhead and a quart, a pound and an ounce. So far our commercial dealings are ſimplified, and brought down to the level of every capacity. With reſpect to our money the caſe is very widely different. The ideas annexed to a pound, a ſhilling, and a penny, are almoſt as various as the ſtates themſelves. Calculations are therefore as neceſſary for our inland commerce, as upon foreign exchanges; and the commoneſt things become intricate where money has any thing to do with them. A farmer in New-Hampſhire, for inſtance, can readily form an idea of a buſhel of wheat in South Carolina, weighing ſixty pounds, and placed at one hundred miles from Charleſtown; but if he were told that in ſuch ſituation it is worth twenty-one ſhillings and eight pence, he would be obliged to make many enquiries and form ſome calculations before he could know that this ſum meant, in general, what he would call four ſhillings; and, even then, he would have to enquire what kind of coin that four ſhillings was paid in, before he could eſtimate it in his own mind according to the ideas of money which he had imbibed. Difficulties of this ſort do not occur to farmers alone, they are perplexing to moſt men, and troubleſome to all. It is however, a fortunate circumſtance, that money is ſo much in the power of the ſovereign, as that he can eaſily lead the people into new ideas of it: and even if that were not the caſe, yet the looſe ſtate in which our currency has been for ſome years paſt, has opened the way for receiving any impreſſions on that ſubject. As we are now ſhaking off the inconveniencies of a depreciating medium, the preſent moment ſeems to be that, in which a general currency can beſt be eſtabliſhed, ſo as that in a few months the ſame names of money will mean the ſame things, in the ſeveral parts of the United States.

Another inconvenience which admits of the ſame eaſy remedy, and which would indeed be cured by the very ſame act, is the want of a legal tender. This is as neceſſary for the purpoſes of juriſprudence, as a general currency is for thoſe of commerce. For although there is great impropriety, not to ſay injuſtice, in compelling a man to receive a part of his debt in diſcharge of the whole, yet it is both juſt and proper that the law ſhould protect the honeſt debtor who is willing to pay, againſt the vexatious ſuits of an oppreſſive creditor, who refuſes to receive the full value. The nature, value and uſe of money have always occaſioned ſtrong temptations to the commiſſion of fraud; and of conſequence the practice of counterfeiting is coeval with that of coining. No government can guard its ſubjects entirely againſt the wicked ingenuity which has been exerciſed in this reſpect; but it has always been the object of every wiſe government to take all the precautions againſt it which are within the compaſs of human ability. Theſe precautions will be moſt effectual, where the coins are few and ſimple; becauſe they, by that means, become familiar to all ranks and degrees of men; but where the coins are ſo numerous, that the knowledge of them is a kind of ſcience, the lower order of citizens are conſtantly injured by thoſe who carry on the buſineſs of debaſing, ſweating, clipping, counterfeiting and the like. It is therefore to be lamented that we have ſo many different coins in the United States.

It is not neceſſary to mention what is in every bodys mouth, that the precious metals were firſt uſed as bullion; and that the inconvenience of weighing, and the difficulty of aſſaying, introduced the practice of coining, in order that the weight and fineneſs might be known at the firſt view, and of conſequence the value be inſtantly aſcertained. It is equally unneceſſary to obſerve, that the great privilege of declaring this value, by particular marks, has among all nations been veſted, excluſively, in the ſovereign. A truſt ſo important could not indeed be veſted any where elſe; becauſe the danger of abuſing it was too great: And hiſtory informs us, that ſovereigns themſelves have not on this occaſion behaved with that integrity, which was alike due to their ſubjects and to themſelves, to the intereſts of their people, and to their own perſonal glory. Experience has already told

told us, that the advantage of gold as a coin is, in this country, very conſiderably diminiſhed: for, every diſtinct piece muſt be weighed before it can be ſafely received. Both gold and ſilver coins are indeed preferable in one reſpect to common bullion, that the ſtandard is preſumed to be juſt, and conſequently they are received without the delays and expences of aſſaying. It muſt however be remembered, that they are all foreign coins, and of courſe we are not only expoſed to the tricks of individuals, but ſhould it ſuit the intereſt or convenience of any ſovereign to make baſe money for us, there is nothing to prevent it. If, for inſtance, the king of England, or any of his Birmingham artiſts, ſhould coin guineas worth but ſixteen ſhillings ſterling, our citizens would readily and freely receive them at twenty-one ſhillings ſterling. It is my duty to mention to Congreſs, information I have received, that guineas of baſe metal are coined at Birmingham ſo well, as to eſcape any common attention. Now there can be no doubt but that every ſuch guinea received here, would be a nation's loſs to us of an Engliſh crown. How much we ſuffer in this way at preſent, it is impoſſible to eſtimate. What I have already had the honor to obſerve, contains ſome of the reaſons why it appears to me highly neceſſary that an American coin ſhould be adopted without delay; and to theſe reaſons it may be added, that there is a want of ſmall money for the common occaſions of trade, and that it is more felt by our ſoldiery than any other perſons. For the little pay which they do receive, being either in gold or at beſt in dollars, the ſutlers and others with whom they have dealings, continually take advantage of their want of change, and rate the prices of their goods accordingly.

Shortly after my appointment, finding that there was a conſiderable quantity of public copper at Boſton, I ordered it round to this place. It has ſafely arrived, and will, when coined, amount to a conſiderable ſum. The neceſſary machinery of a mint can be eaſily made, and there are perſons who can perform the whole buſineſs. I muſt pray leave therefore, to ſubmit to Congreſs, ſome few more particular remarks on the ſubject, as introductory to a plan for an American coin.

Although moſt nations have coined copper, yet that metal is ſo impure, that it has never been conſidered as conſtituting the money ſtandard. This is affixed to the two precious metals, becauſe they alone will admit of having their intrinſic value preciſely aſcertained. But nations differ very much in the relation they have eſtabliſhed between gold and ſilver. In ſome European countries, an ounce of pure gold paſſes for fifteen ounces of pure ſilver. In others for fourteen. In China it paſſes for much leſs. The ſtandard therefore which is affixed to both metals, is in reality affixed to neither. In England, gold is to ſilver nearly in the proportion of one to fifteen; and in France nearly of one to fourteen. If a man carries fourteen ounces of gold from France to England, he receives two hundred and ten ounces of ſilver, which in France purchaſes fifteen ounces of gold; ſo that he gains on that exchange one ounce of gold. In like manner he who carries from England fourteen ounces of ſilver to France, receives one ounce of gold, which in England purchaſes fifteen ounces of ſilver, wherefore he gains on that exchange one ounce of ſilver. If it be then ſuppoſed that the coins of theſe two countries were alike pure, it muſt follow that in a ſhort time all the gold coin of full weight would be in England, and all the ſilver coin of full weight in France. But the light ſilver circulating in England, and the light gold in France, the real ſtandard of coin in each would be different from the legal, and ſeek a medium of fourteen and an half of ſilver for one of gold, although the legal ſtandard might ſtill be in the one place fifteen, and in the other fourteen.

The demand which commerce might make for any one of the precious metals in preference of the other, would vary this real ſtandard from time to time, and in every payment a man would get more or leſs of real value for his debt, according as he were paid in the coin of greater or leſſer value, in relation to the real ſtandard. If, for inſtance, the debt were contracted when the ſilver was to gold, as one to fifteen, and paid when as one to fourteen; if the debt were paid in ſilver he would gain one thirtieth, and if in gold he would looſe one thirtieth. In England the money ſtandard is rather affixed to gold than to ſilver, becauſe all payments are made in the former, and in France it is rather affixed to ſilver than to gold.

Arguments are unneceſſary to ſhew that the ſcale by which every thing is to be meaſured ought to be as fixed as the nature of things will permit of. Since therefore, a money ſtandard affixed to both the precious metals will not give this certain ſcale, it is better to make uſe of one only. Gold is more valuable than ſilver, and ſo far muſt have the preference, but it is from that very circumſtance the more expoſed to fraudulent practices. Its value rendering it more portable is an advantage, but it is an advantage which paper poſſeſſes in a much greater degree, and of conſequence the commercial nation of England has had recourſe to paper for the purpoſes of its trade; although the maſs of circulating coin is gold. It will be always in our power to carry a paper circulation to every proper extent. There can be no doubt therefore that our money ſtandard ought to be affixed to ſilver.

But

But ſilver is liable like every thing elſe, to a change of value; if there is a demand for it, or export, the value will riſe, if the contrary, it will fall; and ſo far it cannot be conſidered as a fixed meaſure of value. Before this objection be conſidered, it will be proper to make a few reflections on another part of the preſent ſubject; but in this place I remark, that if the objection cannot be removed, we muſt not ſuffer it to preponderate, becauſe it weighs alike againſt every other metal.

To coin money is a certain expence, and of courſe it is an expence which muſt be borne by the people. In England, the coin when melted, will ſell as bullion for juſt as much as its weight in other coin. The expence of coinage is paid by the crown; and of courſe it is raiſed by taxes from the people. In France, the coinage inſtead of being expenſive, yields a profit. The price given for metal at the mint, is about eight per cent. leſs than the ſame quantity will yield when coined at the French ſtandard. Both of theſe methods are liable to objections. When commerce demands an exportation of bullion from England, the coin of the kingdom goes out in common with others; this increaſes of courſe the national expence of coinage. Laws to prevent the exportation or importation of any thing ſo valuable as money, are always nugatory; becauſe they always CAN be eluded; and therefore when private intereſt requires, they always WILL be eluded. That the guineas of England therefore are not continually going away, is to be attributed to the extraordinary value affixed to gold, which has juſt been mentioned, and which baniſhes ſilver continually. In France, the people are not liable to this inconvenience, becauſe their money paſſing for more than its value in bullion, bullion will always be exported in preference of coin: but for the ſame reaſon there is always a ſtrong temptation to imitate their coin, and ſend it for the purchaſe of their commodities. It would be both impoſſible and unneceſſary to diſtinguiſh the true from the falſe; becauſe both would be of equal intrinſic value; the place at which they were ſtruck would be indifferent to the receiver, of conſequence the foreigner who made French coin would gain by his trade, and the French nation would looſe proportionately.

The money paid for coining, or the coinage of France, has however this advantage, that the money is a ſtandard which does not fluctuate with the price of bullion. This coinage is, as has been ſaid, about eight per cent. When bullion is below ninety-two, it is carried to the mint, when above ninety-two to the broker or ſilverſmith. The coin ſtill continues fixed, nor will it bear exportation until bullion riſes to an hundred, when the French coin would be as liable to exportation as the Engliſh. In that caſe it would be exported on one hand, while on the other no more would have been coined for a conſiderable period, becauſe to make the eight per cent. coinage, it is neceſſary that the mint price ſhould be ninety-two. The coin therefore could not long be exported, if at all, but would ſoon reſume its value. The price of bullion muſt float between ninety-two and an hundred, while the coin would preſerve its fixed quality as money.

Hence then it appears proper, that the price of coining ſhould be defrayed by the coinage, becauſe firſt it is natural and proper, that the price ſhould be paid when the benefit is received, and that the citizen in return for the advantage of being aſcertained in the value of the medium of commerce by the ſovereign, ſhould pay for aſcertaining it, juſt as that he ſhould pay for the faſhion of the plate he uſes, or the conſtruction of the cart he employs. Secondly, it is right that money ſhould acquire a value as money, diſtinct from that which it poſſeſſes as a commodity, in order that it ſhould be a fixed rule whereby to meaſure the value of all other things; and thirdly, it is wiſe to prevent the exportation of the coin, which would involve an unneceſſary national expence, and alſo to prevent the imitation of it abroad, ſo as to create a national loſs; for both which purpoſes it is proper that the coinage ſhould only defray the expence, without making any conſiderable profit. The laws uſual in all countries with reſpect to the money will then fully operate the effect intended.

In order that a coin may be perfectly intelligible to the whole people, it muſt have ſome affinity to the former currency. This therefore, will be requiſite in the preſent caſe. The purpoſes of commerce require that the loweſt diviſible point of money, or what is more properly called the money unit, ſhould be very ſmall; becauſe by that means the price can be brought in the ſmalleſt things to bear a proportion to the value. And although it is not abſolutely neceſſary, yet it is very deſireable that money ſhould be increaſed in a decimal ratio, becauſe by that means all calculations of intereſt, exchange, inſurance and the like, are rendered much more ſimple and accurate, and of courſe more within the power of the great maſs of people. Wherever ſuch things require much labour, time and reflection, the greater number who do not know, are made the dupes of the leſſer number who do.

The various coins which have circulated in America, have undergone different changes in their value, ſo that there is hardly any which can be conſidered as a general ſtandard, unleſs it be Spaniſh dollars. Theſe paſs in Georgia at five ſhillings, in North-Carolina and New-York at eight ſhillings, in Virginia and the four eaſtern ſtates at ſix ſhillings, in all the other ſtates, except South-Carolina, at ſeven ſhillings and ſix pence, and in South-Carolina

ſpecies at thirty two ſhillings and ſix pence. The money unit of a new coin to agree with- out a fraction with all theſe different values of a dollar except the laſt, will be the fourteen hundred and ſortieth part of a dollar, equal to the ſixteen hundredth part of a crown; of theſe units twenty four will be a penny of Georgia; fifteen will be a penny of North-Carolina or New-York; twenty will be a penny of Virginia and the four eaſtern ſtates; ſixteen will be a penny of all the other ſtates except South-Carolina; and forty eight will be thirteen pence of South-Carolina.

It has been already obſerved, that to have the money unit very ſmall is advantageous to commerce; but there is no neceſſity that this money unit be exactly repreſented in coin, it is ſufficient that its value be preciſely known. On the preſent occaſion, two copper coins will be proper; the one of eight units, and the other of five. Theſe may be called an eight and a five: two of the former will make a penny proclamation or Pennſylvania money, and three a penny Georgia money; of the latter three will make a penny York money, and four a penny lawful or Virginia money. The money unit will be equal to a quarter of a grain of fine ſilver in coined money: Proceeding thence in a decimal ratio, one hundred would be the leaſt ſilver coin and might be called a cent. It would contain twenty five grains of fine ſilver, to which may be added two grains of copper, and the whole would weigh one pennyweight three grains: Five of theſe would make a quint or five hundred units, weighing five pennyweight fifteen grains; and ten would make a mark or one thouſand units, weighing eleven pennyweight ſix grains.

If the mint price of fine ſilver be eſtabliſhed at 22,237 units per pound, this being coined, would be four times 5,760 grains, or 23,040 units; the difference is 803 units, and therefore the coinage is 803 on 23,040, or ſomewhat more than 3 ½ per cent, which would be about the expence attending it. A dollar contains by the beſt aſſays which I have been able to get, about 373 grains of fine ſilver, and that at the mint price would be 1,440 units. In like manner if crowns contain from 414 to 415 grains of fine ſilver, they would at the mint price be worth 1,600 units.

When ſuch a coin ſhall have been eſtabliſhed, the value of all others would be eaſily aſcertained; becauſe nothing more would be neceſſary than to have them aſſayed at the mint. The advantage of poſſeſſing legal money in preference of any other, would induce people to carry foreign coin to the mint, until a ſufficiency were ſtruck for the circulating medium, the remainder of the foreign ſilver, together with the gold, ſhould be left entirely to the operations of commerce as bullion.

In the preſent moment it is by no means of ſuch conſequence to eſtabliſh the relative value of different coins, as to provide a ſtandard of our own by which in future to eſtimate them. If the value were now ſought they muſt all be eſtimated in dollars, becauſe dollars are called for in the ſeveral requiſitions of Congreſs. Without noticing the preference thus given to one foreign coin over another, it is ſufficient to obſerve, that if greater alloy ſhould be introduced by the Spaniſh government into their dollars, our interior regulations as to money would be overturned, and certainly we have no ſecurity that this will not happen. There is not any great inconvenience from leaving matters on their preſent footing until they can be remedied by the operations of a mint; for it is not to be ſuppoſed that all the money raiſed by taxes in a ſtate is to be brought out of it. I expect that there will be very little occaſion to tranſport money from place to place. It is much eaſier to negotiate than to carry it; and if any ſpecies of money is generally received within a ſtate at the ſame rate in which it is paid in taxes, there will be no difficulty in expending it at its value. Whenever money ſhall be ſtruck by authority of the United States, then indeed it will be proper to receive in taxes no other coin.

If Congreſs are of opinion with me, that it will be proper to coin money, I will immediately obey their orders, and eſtabliſh a mint; and I think I can ſay with ſafety, that no better moment could be choſen for the purpoſe than the preſent: neither will any thing have a greater tendency to reſtore public credit; for although it is poſſible, that the new money will at firſt be received with diffidence by ſome, yet when it has been fairly aſſayed, it will gain full confidence from all, and the advantage of holding the only money which can pay debts or diſcharge taxes will ſoon give it the preference over all, and indeed baniſh all other from circulation. Whereas fixing a relation of value now, on whatever principles aſcertained, might give offence to the power whoſe coin ſhould in any inſtance be reduced from its preſent numerary value among us.

Theſe ſentiments are ſubmitted with all poſſible deference to the United States in Congreſs aſſembled, in expectation of their further inſtructions on the ſubject.

With great reſpect,
I have the honor to be,
SIR,
Your moſt obedient,
And humble ſervant,
ROBT. MORRIS.

His Excellency the PRESIDENT of CONGRESS.

On July 24, 1784, there was printed in the *Providence Gazette and Country Journal* further comment regarding the coinage of the United States. This was the plan drawn up by Mr. Jefferson, and as stated, "shown to several members of Congress." Reproduced on the following pages, 21-22, are the pages of the Gazette carrying the plan:

The Providence Gazette AND COUNTRY JOURNAL.

(Vol. XXI.) SATURDAY, July 24, 1784. (No. 1073.)

Mr. Carter.

The following plan, by a Merchant Here, &c. was laid before the Congress which was chosen to frame a new System of Coinage, and was with their approbation, for the further Information of the Public, and the obtaining of Amendments, if any shall occur to any Gentlemen, published in your Gazette, by which Congress may avail themselves of the Sentiments of the whole people.

Mr. Carter, for the United States.

1. That the unit of account, that is, the denomination of the principal coin, be a Dollar.

2. That the parts and multiples of the Dollar shall be in decimal proportion to each other, so as to facilitate the computations of accounts.

3. That the coin next in order to the Dollar, be a piece of the value of one tenth part of the Dollar, and so on, in a decimal proportion, to the smallest piece that may be coined.

4. That the Dollar and other pieces of coin, be distinguished by such names as shall be thought most convenient.

5. That the coins of the United States, and the value of the several pieces, be expressed on one side, by Arabic figures, and on the other side, by such devices as shall be thought most proper.

6. That the Dollar, and other pieces of coin, be made to contain such quantities of fine gold, fine silver, and alloy, as shall be found by the following rules, viz.

1. Let the proportion of value between gold and silver be established, according to the average of the values of those metals for a number of years past, in the principal commercial countries of Europe.

2. Let the proportion of value between gold and silver, as coin, be established, according to the laws and regulations of those countries.

3. Let the proportion of value between gold and silver, as coin, be established, according to the laws and regulations of the several states in America, as far as they have provided any rule in the case.

4. Let the proportion of value between gold and silver, as coin, be established, according to the average of the three preceding rules.

5. Let the proportion of value between gold and silver, as coin, be established, according to the laws and regulations of the United States.

6. Let the proportion of value between gold and silver, as coin, be established, according to the average of the two preceding rules.

7. Let the proportion of value between gold and silver, as coin, be established, according to the average of the three preceding rules.

8. Let the proportion of value between gold and silver, as coin, be established, according to the average of the four preceding rules.

9. Let the proportion of value between gold and silver, as coin, be established, according to the average of the five preceding rules.

10. Let the proportion of value between gold and silver, as coin, be established, according to the average of the six preceding rules.

11. Let the proportion of value between gold and silver, as coin, be established, according to the average of the seven preceding rules.

12. Let the proportion of value between gold and silver, as coin, be established, according to the average of the eight preceding rules.

13. Let the proportion of value between gold and silver, as coin, be established, according to the average of the nine preceding rules.

14. Let the proportion of value between gold and silver, as coin, be established, according to the average of the ten preceding rules.

15. Let the proportion of value between gold and silver, as coin, be established, according to the average of the eleven preceding rules.

16. Let the proportion of value between gold and silver, as coin, be established, according to the average of the twelve preceding rules.

17. Let the proportion of value between gold and silver, as coin, be established, according to the average of the thirteen preceding rules.

18. Let the proportion of value between gold and silver, as coin, be established, according to the average of the fourteen preceding rules.

19. Let the proportion of value between gold and silver, as coin, be established, according to the average of the fifteen preceding rules.

20. Let the proportion of value between gold and silver, as coin, be established, according to the average of the sixteen preceding rules.

21. Let the proportion of value between gold and silver, as coin, be established, according to the average of the seventeen preceding rules.

22. Let the proportion of value between gold and silver, as coin, be established, according to the average of the eighteen preceding rules.

23. Let the proportion of value between gold and silver, as coin, be established, according to the average of the nineteen preceding rules.

24. Let the proportion of value between gold and silver, as coin, be established, according to the average of the twenty preceding rules.

25. Let the proportion of value between gold and silver, as coin, be established, according to the average of the twenty-one preceding rules.

26. Let the proportion of value between gold and silver, as coin, be established, according to the average of the twenty-two preceding rules.

27. Let the proportion of value between gold and silver, as coin, be established, according to the average of the twenty-three preceding rules.

28. Let the proportion of value between gold and silver, as coin, be established, according to the average of the twenty-four preceding rules.

29. Let the proportion of value between gold and silver, as coin, be established, according to the average of the twenty-five preceding rules.

30. Let the proportion of value between gold and silver, as coin, be established, according to the average of the twenty-six preceding rules.

31. Let the proportion of value between gold and silver, as coin, be established, according to the average of the twenty-seven preceding rules.

32. Let the proportion of value between gold and silver, as coin, be established, according to the average of the twenty-eight preceding rules.

33. Let the proportion of value between gold and silver, as coin, be established, according to the average of the twenty-nine preceding rules.

34. Let the proportion of value between gold and silver, as coin, be established, according to the average of the thirty preceding rules.

35. Let the proportion of value between gold and silver, as coin, be established, according to the average of the thirty-one preceding rules.

36. Let the proportion of value between gold and silver, as coin, be established, according to the average of the thirty-two preceding rules.

37. Let the proportion of value between gold and silver, as coin, be established, according to the average of the thirty-three preceding rules.

38. Let the proportion of value between gold and silver, as coin, be established, according to the average of the thirty-four preceding rules.

39. Let the proportion of value between gold and silver, as coin, be established, according to the average of the thirty-five preceding rules.

40. Let the proportion of value between gold and silver, as coin, be established, according to the average of the thirty-six preceding rules.

41. Let the proportion of value between gold and silver, as coin, be established, according to the average of the thirty-seven preceding rules.

42. Let the proportion of value between gold and silver, as coin, be established, according to the average of the thirty-eight preceding rules.

43. Let the proportion of value between gold and silver, as coin, be established, according to the average of the thirty-nine preceding rules.

44. Let the proportion of value between gold and silver, as coin, be established, according to the average of the forty preceding rules.

45. Let the proportion of value between gold and silver, as coin, be established, according to the average of the forty-one preceding rules.

46. Let the proportion of value between gold and silver, as coin, be established, according to the average of the forty-two preceding rules.

47. Let the proportion of value between gold and silver, as coin, be established, according to the average of the forty-three preceding rules.

48. Let the proportion of value between gold and silver, as coin, be established, according to the average of the forty-four preceding rules.

49. Let the proportion of value between gold and silver, as coin, be established, according to the average of the forty-five preceding rules.

50. Let the proportion of value between gold and silver, as coin, be established, according to the average of the forty-six preceding rules.

51. Let the proportion of value between gold and silver, as coin, be established, according to the average of the forty-seven preceding rules.

52. Let the proportion of value between gold and silver, as coin, be established, according to the average of the forty-eight preceding rules.

53. Let the proportion of value between gold and silver, as coin, be established, according to the average of the forty-nine preceding rules.

54. Let the proportion of value between gold and silver, as coin, be established, according to the average of the fifty preceding rules.

55. Let the proportion of value between gold and silver, as coin, be established, according to the average of the fifty-one preceding rules.

56. Let the proportion of value between gold and silver, as coin, be established, according to the average of the fifty-two preceding rules.

57. Let the proportion of value between gold and silver, as coin, be established, according to the average of the fifty-three preceding rules.

58. Let the proportion of value between gold and silver, as coin, be established, according to the average of the fifty-four preceding rules.

59. Let the proportion of value between gold and silver, as coin, be established, according to the average of the fifty-five preceding rules.

60. Let the proportion of value between gold and silver, as coin, be established, according to the average of the fifty-six preceding rules.

61. Let the proportion of value between gold and silver, as coin, be established, according to the average of the fifty-seven preceding rules.

62. Let the proportion of value between gold and silver, as coin, be established, according to the average of the fifty-eight preceding rules.

63. Let the proportion of value between gold and silver, as coin, be established, according to the average of the fifty-nine preceding rules.

64. Let the proportion of value between gold and silver, as coin, be established, according to the average of the sixty preceding rules.

65. Let the proportion of value between gold and silver, as coin, be established, according to the average of the sixty-one preceding rules.

66. Let the proportion of value between gold and silver, as coin, be established, according to the average of the sixty-two preceding rules.

67. Let the proportion of value between gold and silver, as coin, be established, according to the average of the sixty-three preceding rules.

68. Let the proportion of value between gold and silver, as coin, be established, according to the average of the sixty-four preceding rules.

69. Let the proportion of value between gold and silver, as coin, be established, according to the average of the sixty-five preceding rules.

70. Let the proportion of value between gold and silver, as coin, be established, according to the average of the sixty-six preceding rules.

71. Let the proportion of value between gold and silver, as coin, be established, according to the average of the sixty-seven preceding rules.

72. Let the proportion of value between gold and silver, as coin, be established, according to the average of the sixty-eight preceding rules.

73. Let the proportion of value between gold and silver, as coin, be established, according to the average of the sixty-nine preceding rules.

74. Let the proportion of value between gold and silver, as coin, be established, according to the average of the seventy preceding rules.

75. Let the proportion of value between gold and silver, as coin, be established, according to the average of the seventy-one preceding rules.

76. Let the proportion of value between gold and silver, as coin, be established, according to the average of the seventy-two preceding rules.

77. Let the proportion of value between gold and silver, as coin, be established, according to the average of the seventy-three preceding rules.

78. Let the proportion of value between gold and silver, as coin, be established, according to the average of the seventy-four preceding rules.

79. Let the proportion of value between gold and silver, as coin, be established, according to the average of the seventy-five preceding rules.

80. Let the proportion of value between gold and silver, as coin, be established, according to the average of the seventy-six preceding rules.

81. Let the proportion of value between gold and silver, as coin, be established, according to the average of the seventy-seven preceding rules.

82. Let the proportion of value between gold and silver, as coin, be established, according to the average of the seventy-eight preceding rules.

83. Let the proportion of value between gold and silver, as coin, be established, according to the average of the seventy-nine preceding rules.

84. Let the proportion of value between gold and silver, as coin, be established, according to the average of the eighty preceding rules.

85. Let the proportion of value between gold and silver, as coin, be established, according to the average of the eighty-one preceding rules.

86. Let the proportion of value between gold and silver, as coin, be established, according to the average of the eighty-two preceding rules.

87. Let the proportion of value between gold and silver, as coin, be established, according to the average of the eighty-three preceding rules.

88. Let the proportion of value between gold and silver, as coin, be established, according to the average of the eighty-four preceding rules.

89. Let the proportion of value between gold and silver, as coin, be established, according to the average of the eighty-five preceding rules.

90. Let the proportion of value between gold and silver, as coin, be established, according to the average of the eighty-six preceding rules.

91. Let the proportion of value between gold and silver, as coin, be established, according to the average of the eighty-seven preceding rules.

92. Let the proportion of value between gold and silver, as coin, be established, according to the average of the eighty-eight preceding rules.

93. Let the proportion of value between gold and silver, as coin, be established, according to the average of the eighty-nine preceding rules.

94. Let the proportion of value between gold and silver, as coin, be established, according to the average of the ninety preceding rules.

95. Let the proportion of value between gold and silver, as coin, be established, according to the average of the ninety-one preceding rules.

96. Let the proportion of value between gold and silver, as coin, be established, according to the average of the ninety-two preceding rules.

97. Let the proportion of value between gold and silver, as coin, be established, according to the average of the ninety-three preceding rules.

98. Let the proportion of value between gold and silver, as coin, be established, according to the average of the ninety-four preceding rules.

99. Let the proportion of value between gold and silver, as coin, be established, according to the average of the ninety-five preceding rules.

100. Let the proportion of value between gold and silver, as coin, be established, according to the average of the ninety-six preceding rules.

101. Let the proportion of value between gold and silver, as coin, be established, according to the average of the ninety-seven preceding rules.

102. Let the proportion of value between gold and silver, as coin, be established, according to the average of the ninety-eight preceding rules.

103. Let the proportion of value between gold and silver, as coin, be established, according to the average of the ninety-nine preceding rules.

104. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred preceding rules.

105. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and one preceding rules.

106. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two preceding rules.

107. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and three preceding rules.

108. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and four preceding rules.

109. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and five preceding rules.

110. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and six preceding rules.

111. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and seven preceding rules.

112. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and eight preceding rules.

113. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and nine preceding rules.

114. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and ten preceding rules.

115. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and eleven preceding rules.

116. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and twelve preceding rules.

117. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and thirteen preceding rules.

118. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and fourteen preceding rules.

119. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and fifteen preceding rules.

120. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and sixteen preceding rules.

121. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and seventeen preceding rules.

122. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and eighteen preceding rules.

123. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and nineteen preceding rules.

124. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and twenty preceding rules.

125. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and twenty-one preceding rules.

126. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and twenty-two preceding rules.

127. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and twenty-three preceding rules.

128. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and twenty-four preceding rules.

129. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and twenty-five preceding rules.

130. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and twenty-six preceding rules.

131. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and twenty-seven preceding rules.

132. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and twenty-eight preceding rules.

133. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and twenty-nine preceding rules.

134. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and thirty preceding rules.

135. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and thirty-one preceding rules.

136. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and thirty-two preceding rules.

137. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and thirty-three preceding rules.

138. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and thirty-four preceding rules.

139. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and thirty-five preceding rules.

140. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and thirty-six preceding rules.

141. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and thirty-seven preceding rules.

142. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and thirty-eight preceding rules.

143. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and thirty-nine preceding rules.

144. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and forty preceding rules.

145. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and forty-one preceding rules.

146. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and forty-two preceding rules.

147. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and forty-three preceding rules.

148. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and forty-four preceding rules.

149. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and forty-five preceding rules.

150. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and forty-six preceding rules.

151. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and forty-seven preceding rules.

152. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and forty-eight preceding rules.

153. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and forty-nine preceding rules.

154. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and fifty preceding rules.

155. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and fifty-one preceding rules.

156. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and fifty-two preceding rules.

157. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and fifty-three preceding rules.

158. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and fifty-four preceding rules.

159. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and fifty-five preceding rules.

160. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and fifty-six preceding rules.

161. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and fifty-seven preceding rules.

162. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and fifty-eight preceding rules.

163. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and fifty-nine preceding rules.

164. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and sixty preceding rules.

165. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and sixty-one preceding rules.

166. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and sixty-two preceding rules.

167. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and sixty-three preceding rules.

168. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and sixty-four preceding rules.

169. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and sixty-five preceding rules.

170. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and sixty-six preceding rules.

171. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and sixty-seven preceding rules.

172. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and sixty-eight preceding rules.

173. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and sixty-nine preceding rules.

174. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and seventy preceding rules.

175. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and seventy-one preceding rules.

176. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and seventy-two preceding rules.

177. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and seventy-three preceding rules.

178. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and seventy-four preceding rules.

179. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and seventy-five preceding rules.

180. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and seventy-six preceding rules.

181. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and seventy-seven preceding rules.

182. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and seventy-eight preceding rules.

183. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and seventy-nine preceding rules.

184. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and eighty preceding rules.

185. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and eighty-one preceding rules.

186. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and eighty-two preceding rules.

187. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and eighty-three preceding rules.

188. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and eighty-four preceding rules.

189. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and eighty-five preceding rules.

190. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and eighty-six preceding rules.

191. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and eighty-seven preceding rules.

192. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and eighty-eight preceding rules.

193. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and eighty-nine preceding rules.

194. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and ninety preceding rules.

195. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and ninety-one preceding rules.

196. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and ninety-two preceding rules.

197. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and ninety-three preceding rules.

198. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and ninety-four preceding rules.

199. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and ninety-five preceding rules.

200. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and ninety-six preceding rules.

201. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and ninety-seven preceding rules.

202. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and ninety-eight preceding rules.

203. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and ninety-nine preceding rules.

204. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred preceding rules.

205. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and one preceding rules.

206. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and two preceding rules.

207. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and three preceding rules.

208. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and four preceding rules.

209. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and five preceding rules.

210. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and six preceding rules.

211. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and seven preceding rules.

212. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and eight preceding rules.

213. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and nine preceding rules.

214. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and ten preceding rules.

215. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and eleven preceding rules.

216. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and twelve preceding rules.

217. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and thirteen preceding rules.

218. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and fourteen preceding rules.

219. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and fifteen preceding rules.

220. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and sixteen preceding rules.

221. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and seventeen preceding rules.

222. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and eighteen preceding rules.

223. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and nineteen preceding rules.

224. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and twenty preceding rules.

225. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and twenty-one preceding rules.

226. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and twenty-two preceding rules.

227. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and twenty-three preceding rules.

228. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and twenty-four preceding rules.

229. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and twenty-five preceding rules.

230. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and twenty-six preceding rules.

231. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and twenty-seven preceding rules.

232. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and twenty-eight preceding rules.

233. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and twenty-nine preceding rules.

234. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and thirty preceding rules.

235. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and thirty-one preceding rules.

236. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and thirty-two preceding rules.

237. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and thirty-three preceding rules.

238. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and thirty-four preceding rules.

239. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and thirty-five preceding rules.

240. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and thirty-six preceding rules.

241. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and thirty-seven preceding rules.

242. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and thirty-eight preceding rules.

243. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and thirty-nine preceding rules.

244. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and forty preceding rules.

245. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and forty-one preceding rules.

246. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and forty-two preceding rules.

247. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and forty-three preceding rules.

248. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and forty-four preceding rules.

249. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and forty-five preceding rules.

250. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and forty-six preceding rules.

251. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and forty-seven preceding rules.

252. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and forty-eight preceding rules.

253. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and forty-nine preceding rules.

254. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and fifty preceding rules.

255. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and fifty-one preceding rules.

256. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and fifty-two preceding rules.

257. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and fifty-three preceding rules.

258. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and fifty-four preceding rules.

259. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and fifty-five preceding rules.

260. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and fifty-six preceding rules.

261. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and fifty-seven preceding rules.

262. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and fifty-eight preceding rules.

263. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and fifty-nine preceding rules.

264. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and sixty preceding rules.

265. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and sixty-one preceding rules.

266. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and sixty-two preceding rules.

267. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and sixty-three preceding rules.

268. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and sixty-four preceding rules.

269. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and sixty-five preceding rules.

270. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and sixty-six preceding rules.

271. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and sixty-seven preceding rules.

272. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and sixty-eight preceding rules.

273. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and sixty-nine preceding rules.

274. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and seventy preceding rules.

275. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and seventy-one preceding rules.

276. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and seventy-two preceding rules.

277. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and seventy-three preceding rules.

278. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and seventy-four preceding rules.

279. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and seventy-five preceding rules.

280. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and seventy-six preceding rules.

281. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and seventy-seven preceding rules.

282. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and seventy-eight preceding rules.

283. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and seventy-nine preceding rules.

284. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and eighty preceding rules.

285. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and eighty-one preceding rules.

286. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and eighty-two preceding rules.

287. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and eighty-three preceding rules.

288. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and eighty-four preceding rules.

289. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and eighty-five preceding rules.

290. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and eighty-six preceding rules.

291. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and eighty-seven preceding rules.

292. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and eighty-eight preceding rules.

293. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and eighty-nine preceding rules.

294. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and ninety preceding rules.

295. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and ninety-one preceding rules.

296. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and ninety-two preceding rules.

297. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and ninety-three preceding rules.

298. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and ninety-four preceding rules.

299. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and ninety-five preceding rules.

300. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and ninety-six preceding rules.

301. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and ninety-seven preceding rules.

302. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and ninety-eight preceding rules.

303. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and two hundred and ninety-nine preceding rules.

304. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and three hundred preceding rules.

305. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and three hundred and one preceding rules.

306. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and three hundred and two preceding rules.

307. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and three hundred and three preceding rules.

308. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and three hundred and four preceding rules.

309. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and three hundred and five preceding rules.

310. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and three hundred and six preceding rules.

311. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and three hundred and seven preceding rules.

312. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and three hundred and eight preceding rules.

313. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and three hundred and nine preceding rules.

314. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and three hundred and ten preceding rules.

315. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and three hundred and eleven preceding rules.

316. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and three hundred and twelve preceding rules.

317. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and three hundred and thirteen preceding rules.

318. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and three hundred and fourteen preceding rules.

319. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and three hundred and fifteen preceding rules.

320. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and three hundred and sixteen preceding rules.

321. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and three hundred and seventeen preceding rules.

322. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and three hundred and eighteen preceding rules.

323. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and three hundred and nineteen preceding rules.

324. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and three hundred and twenty preceding rules.

325. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and three hundred and twenty-one preceding rules.

326. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and three hundred and twenty-two preceding rules.

327. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and three hundred and twenty-three preceding rules.

328. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and three hundred and twenty-four preceding rules.

329. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and three hundred and twenty-five preceding rules.

330. Let the proportion of value between gold and silver, as coin, be established, according to the average of the one hundred and three hundred and twenty-six preceding rules.

331.

[illegible]

That the several foreign coins be debased and classed in the said ordinance, the standards of each class fixed, and its value by weight ascertained in units and tenth parts of units. And that said draft of an ordinance be reported to Congress [illegible] for [illegible] direction and determination.

L O N D O N

April [illegible]. The scheme of restraining the licentiousness of the press comes with peculiar grace from our present ministers. They, above all men, cannot but be strongly sensible of the great abuses of the liberty of the press. The *scurrility* and *abuse* of the prints in the pay of the ministry, will furnish the best argument for the [illegible] of the measure, which has been [illegible] in Ireland, and so [illegible] probably be [illegible] in England.

The Duke of Rutland might ever get himself a [illegible] of well-earned fame, by allowing the rights of his station in co-operation with what might be his personal views and feelings in favour of the liberty of the press, and [illegible] to put an end to [illegible] bill [illegible].

Administration are very far from pleased with their [illegible] people in Ireland, for suffering the [illegible] [illegible] to be [illegible] [illegible] of this [illegible].

The idea of encouraging the emigrants from America to settle in Jamaica is [illegible]. If this [illegible] [illegible].

[illegible] of America [illegible] of their [illegible] [illegible] that in a very few years they will be independent of Europe in the article of [illegible].

April [illegible]. It is now said, that Lord Chatham and William Eden [illegible], Esq. are to be joint Postmasters. George Ogle, a Commissioner, in the room of Lord Lisburne, and William Ogilvie, Esq. a native of Scotland, and married to the Duchess Dowager of Leinster, will succeed Mr. Rolle in the custom-house, who is appointed Chancellor of the Exchequer.

Lord Pomfrey's printed speech, supposed to have been spoken to the [illegible] at Wood's Hotel, points out, at the end of all its [illegible], one plain and indisputable fact, viz. that the game of [illegible] is over in Westminster.

WHITEHALL, *April* [illegible]. The King has been pleased to appoint Daniel Hailes, Esq. to be his Majesty's Minister Plenipotentiary at the Court of Versailles, during the absence of his Grace the Duke of Dorset, his Majesty's Ambassador Extraordinary and Plenipotentiary to that Court.

May [illegible]. A letter from [illegible], dated April [illegible], says, that the ships which are designed to join the Spanish fleet, going to bombard Algiers, are [illegible] for sea, except taking in provisions, and will sail in a few days; they are to take a regiment of soldiers, with some heavy artillery, on board.

A letter from Galway has the following article, "The Earl of Carlisle, Capt. M'Namara, bound from this port, was chased three hours, about to the south of the harbour, by a piratical vessel under Dutch colours. This vessel has chased three others, but they all out sailed her. She is Dutch built, has ten guns, besides swivels, and a very heavy sailing vessel. An express is sent off to [illegible] on the coast, so that if any of his Majesty's ships are lying there, we have no doubt of her being taken, as she is still hovering round the coast."

Advices from Paris mention, that they have, by means of a Dutch ship from the Cape of Good Hope, received the disagreeable intelligence of the loss of la Severe, of 74, and le Bizarre, of 64, two ships of the squadron from the East Indies that were returning to Europe. The Bizarre was lost on the rocks, and out of [illegible] men only [illegible] were saved. La Severe, of [illegible] [illegible] out of Table Bay in [illegible], and is said to have foundered, at which time she had [illegible] [illegible] on board, who are all supposed to have perished. La Bertude, a frigate of 36 guns, was dismasted in the same storm, but rode it out with [illegible] anchors a head. Their accounts mention the Cumberland man of war being on shore, but afterwards got off. Monsieur Baste was expected from Ceylon in the Illustre, of 74 guns, with six other ships of the line, to arrive at the Cape in March, where they would continue so long as they could with safety, to avoid the monsoons.

May [illegible]. Accounts from Florence mention, that the Abbé [illegible], professor of the mathematics to the Great Duke of Tuscany, has lately made several experiments upon aerostatic globes, and has found the steam of boiling water preferable to inflammable air.

We hear from Dijon, that M. Morveau, Chemist and secretary to the academy of that city, is filling the air balloon, makes use, with success, of the gas of potatoes, which he has found by repeated experiments to be the inflammable air [illegible] [illegible].

Our commerce with America, which since its revival has extended through every one of the Thirteen Provinces, and to a much greater value than could have been at first expected, has hitherto been so settled, that the proportions of ready money and credit, given for the goods exported from England, have been about half and half.

May [illegible]. People much interested in the prosperity of the nation look for the opening of Parliament with eager expectation, as a period that will show the minister has to form an establishment, or to pursue great and good objects of retrenchment and improvement, without the least dread of factious control.

Had the ancients foreseen the prostitution to which the laurel would have been subjected in these degenerated and disgusting days, they would have avoided the use of it as a badge of fame, or any mark of public or private merit.

The last advices from the East-Indies are carefully concealed from the public, and with good reason; they present a melancholy picture, especially as to the [illegible] [illegible] the [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] Parliament by Mr. [illegible] last November, and was represented throughout the country with a degree of violently breaking [illegible].

[illegible] with [illegible] [illegible] to this. India has the [illegible] of a ruined revenue [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible], with a very [illegible] [illegible] [illegible] in [illegible].

We hear that yesterday was tried at C. Johnson and Co.'s [illegible] distillery, Vauxhall, a new engine, [illegible], by a Mr. [illegible], [illegible] [illegible] [illegible], which discharged by the power of [illegible] [illegible] [illegible] and was [illegible] in [illegible] seconds, and is the best invention made for many years, as a single pump with equal force is calculated to discharge [illegible] in the same space.

ALEXANDRIA (*Virginia*) *June* [illegible].

We are informed from the back settlements, that a number of robbers have been discovered about the Ohio, who rob the inhabitants of cattle, negroes, and any thing they can lay their hands on. Two have lately been killed, and one wounded and taken, who discovers their number to be about eighty-five.

PHILADELPHIA, *July* [illegible].

Saturday last John Bowery and John Martin received sentence of death, for the robbery of Mrs. Hamilton and Mr. Lawrence, on the 10th of May.

On Monday evening last a young man going from this city to the middle ferry, on Schuylkill, was stopped near the place where the [illegible] formerly stood, and robbed of a new hat, by two foot pads.

July 10. On Wednesday evening last a most horrid murder was committed, between nine and ten o'clock, on the body of George Fuller, Cordwainer, in Arch near Front-street. He was sitting before his door, smoking a pipe, when an execrable villain in a check shirt came up, and run him through the heart with a knife or dagger, of which he died in two minutes after. A person was taken up the next morning, on suspicion of having perpetrated the diabolical deed.

The last London papers contain lists of a number of newly created Peers, and others in nomination for that honour; so that, even if the people of England should be fairly represented in the House of Commons (which is hardly expected) the influence of the crown is daily increasing, by a greater addition to the House of Lords than ever was known in any other reign, and an evidentiary [illegible] to [illegible] with equal [illegible].

MORRIS-TOWN, *June* 30.

Last week was committed to the gaol in this town one David Parker, a resident in the Great Swamp, for passing counterfeit collector's [illegible] certificates of this township, signed in the name of [illegible] [illegible]. As Parker cannot read or write, it is conjectured he has [illegible] accomplices, and make no doubt but they will be detected in a short time, and meet with that reward which their villany so justly merits.—Parker [illegible] [illegible] of the [illegible] [illegible] and certificates Parker passed with one Daniel [illegible], [illegible] Long Island.

NEW-YORK, *July* 14.

Extract of a letter from a gentleman at Philadelphia, to his friend at New-York, dated July [illegible], 1784.

"The affair of the Chevalier Longchamps, of which you have no doubt been informed, is likely to become a very serious business. It is the greatest [illegible] [illegible] [illegible] for the whole [illegible], especially as it is reported the Council [illegible] have determined on finding that unfortunate gentleman to France, where in all probability no [illegible] than his [illegible] can appease the [illegible] [illegible] of his Majesty. Two reasons are given for this procedure. *First*, that in our present situation it would be bad policy to dispute the propriety of this measure with our great and good ally, and in the next that there is no adequate law of this state to punish the enormity of the offence. By this means, the people in general are greatly alarmed at the dangerous tendency of such a precedent, as it argues that upon this principle the liberty of every citizen would in future lie at the mercy of the good liking of foreign Ministers. I for my own part [illegible] [illegible] that this business being narrowed, [illegible] receive the [illegible] and determination of Congress, upon a candid and fair investigation of the subject; for as the Chevalier was admitted to the right of citizenship, and took the oaths of allegiance to this State, prior to his dispute with the Sieur Marbois, it follows that he has every right to the protection of our laws that the members of the Council, nay the Governor himself, has; and I believe, my good friend, you will think that they, you or I, would think it exceeding hard to be sent to France to suffer for an offence punishable in a much slighter manner by the laws of our own country.

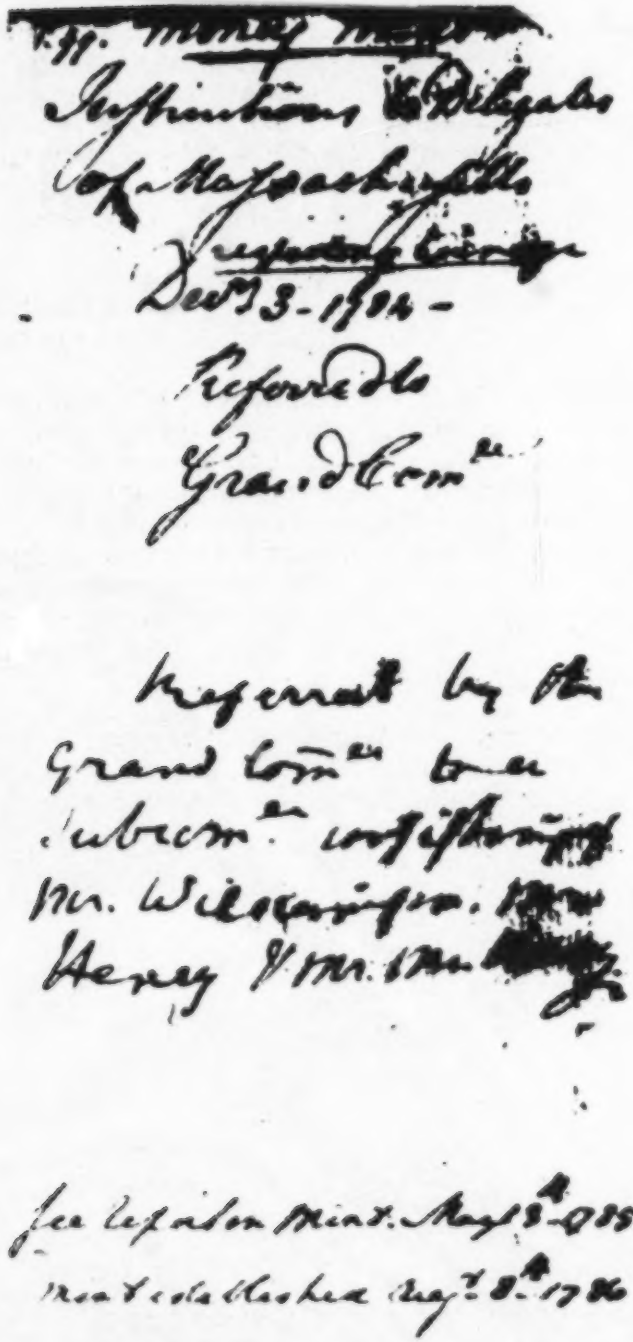
On Friday, December 3, 1784, instructions which had been given to the congressional delegates of Massachusetts by their Senate on October 13, 1784, concerning the value of gold and silver coin, were referred to the Grand Committee of Congress, which in turn referred them to a subcommittee consisting of Mr. Hugh Williamson, Mr. John Henry, and Mr. James McHenry.[1]

The instructions, which were concurred with by the Massachusetts House on October 23, 1784, are specific:

> ORDERED, that the delegates in Congress for this Commonwealth, be, and they are hereby instructed to move as soon as may be, to Congress to take under consideration the state of foreign gold and silver coin, the rate at which they ought to pass throughout the United States and to recommend to the several states in the Union to settle conformable thereto the rates at which the same shall pass in their respective States.

A copy of these handwritten instructions is found on page 99 of Appendix A. Reproduced on the following page is the referral to the Grand Committee and then to the subcommittee.

1 Journals of Congress December 3, 1784, Vol. XXVII, p. 661.



On January 17, 1785, the Grand Committee, consisting of Messrs. Foster, King, Howell, Cook, Platt, Cadwallader, Gardner, Vining, McHenry, Hardy, Williamson, Pinckney, and Houston was renewed, and had referred to it, among other business, the letter of January 15, 1782, from the Superintendent of Finance regarding a mint, and the instructions to the Massachusetts delegates concerning the regulation of gold and silver coins.[1] The committee apparently lapsed after this, for the notes indicate it was renewed again on April 6, of the same year.

In the process of arriving at a solution to the coinage situation, Mr. Hugh Williamson submitted a report entitled, "Propositions respecting the Coinage of Gold, Silver, and Copper." Mr. Gouverneur Morris also submitted a coinage plan, which together with the Propositions of Mr. Williamson, the letter of January 15, 1782, from Robert Morris, and "Notes on the Establishment of a Money Mint, and of a Coinage for the United States" by Thomas Jefferson, were printed together as a folio pamphlet of twelve pages. The whole report was given the title of that of Mr. Williamson's contribution, namely: "Propositions respecting the Coinage of Gold, Silver, and Copper." It was read May 13, 1785, and was endorsed with the names of the Grand Committee: Mr. Howell, Mr. Foster, Mr. King, Mr. Cook, Mr. Smith, Mr. Beatty, Mr. Gardner, Mr. Vining, Mr. Hindman, Mr. Monroe, Mr. Williamson, Mr. Pinckney, and Mr. Houston.

Below is reproduced the pertinent portion of the Journal of Congress for Friday, May 13, 1785, and notes, as compiled by the Library of Congress. Following this is copied the whole printed twelve page folio pamphlet of the coinage propositions presented to Congress. The handwritten draft of Mr. Williamson's proposals, and the notes of Mr. Gouverneur Morris are reproduced in Appendix A (see pp. 100-105 and 106-109). Mr. Williamson's report is thus presented here

1 Journals of Congress, January 15, 1785, Vol. XXVIII, p.6.

twice — once from the Journal of May 13, and once from the folio pamphlet. This is done in the interest of historical reference and precision.

From the Journal of Congress, Friday, May 13, 1785:

PROPOSITIONS RESPECTING THE COINAGE OF GOLD, SILVER, AND COPPER.

1st The value of Silver compared with Gold. 2d The Weight or Size of the several Pieces of money that are to be made. 3d The Money Arithmetic, or the mode in which it is to be counted; and 4th, The Charges of Coinage are to be considered.

1. In France, 1 Grain of pure Gold is counted worth 15 Grains of Silver. In Spain 16 grains of Silver are exchanged for 1 of Gold, and in England 15½th. In both of the Kingdoms last mentioned, Gold is the prevailing Money; because Silver is undervalued. In France Silver prevails. Sundry advantages would arise to us from a system by which Silver might become the prevailing Money. This would operate as a Bounty to draw it from our Neighbours, by whom it is not sufficiently esteemed. Silver is not exported so easily as Gold, and it is a more useful Metal.

Certainly our Exchange should not be more than 15 Gr. of Silver for 1 of Gold. It has been alledged by the late Financier, that we should not give more than 14½ perhaps 14¾ would be a better medium, considering the Quantity of Gold that may expected from Portugal.

2. The Weight, Size or Value of the several Pieces of money that shall be made, or rather the most convenient Value of the Money Unit, is a Question not easily determined, considering that most of the Citizens of the U. S. are accustomed to count in Pounds, Shillings and Pence; and that those sums are of different Values in the different States: hence they convey no distinct Ideas. The money of the U. S. should be equally fitted to all. The late Financier has proposed to make Gold and Silver Pieces of particular Weight; and there is a very simple process, by which the imaginary money of the Several States may be translated into such Pieces, or vice versa. He proposes that the Money Unit be one Quarter of a Grain of pure Silver, That the smallest Coin be of Copper, which shall be worth 5 of those Units. The smallest Silver Coin to be worth 100 Units, another to be worth 500, another of 1000 and thus encreasing Decimally.

The objections to this Plan are, that it introduces a Coin unlike in

Value to any thing now in Use. It departs from the national mode of keeping Accounts, and tends to preserve inconvenient Prejudices. Whence it must prevent national Uniformity in Accounts: a thing greatly to be desired.

Another Plan has been offered, which proposes, [that the Money Unit be One Dollar; and the smallest coin is to be of Copper, of which 200 shall pass for one Dollar.] This Plan also proposes, [that the several Pieces shall increase in a Decimal Ratio] and that all Accounts be kept in Decimals, which is certainly by much the most short and simple mode.

In favour of this Plan it is urged, that a Dollar, the proposed Unit, has long been in general Use. Its Value is familiar. This accords with the national mode of keeping Accounts, and may in time produce the happy effect of Uniformity in counting money throughout the Union.

3. The Money Arithmetic, though an important Question, is one that can admit of little Dispute. All accomptants must prefer Decimals.

4. What is the best mode of defraying the Expence of Coinage? Different Nations have adopted different Systems. The British value their Silver when coined, no higher than Bullion. Hence it follows, that the expense of the Mint, increasing the civil List must be paid by a general Tax, and Tradesmen are disposed to work up the current Coin, by which the Tax is increased and continued. In some other Countries Silver or Gold when coined are valued above the Price of Bullion, whence Tradesmen are discouraged from melting or working up the current Coin, and the Mint is rather profitable than burdensome. Certainly there are good and conclusive reasons, why we should value the national Coin above the Price of Bullion; but there is a certain Point beyond which we may not proceed, lest we encourage counterfeits, or private Imitations of our Coin. It has been proposed to make a difference of 2¼ p Ct. nearly as an allowance for the Coinage of Gold, and of 3.013 p Ct. for the Coinage of Silver. It is probable that 3 p. Ct. would more than defray the Expense of coining Silver, in which Case it would be a Temptation to private Imitation, and would operate against the free circulation of the money as being valued too high. It is to be remembered that Silver Coin ought to be encouraged and probably 2 p Ct. or 2¼ p Ct. would be a proper difference between Silver Coined and Bullion. The same difference to be made in the Price of Gold. If this does not fully pay the Expenses of the Mint, there will be a much larger Gain on the

Coinage of Copper; and if there should remain a small Balance against the Mint, its Operation will not be unfavorable.

The Coinage of Copper is a Subject that claims our immediate Attention. From the small Value of the several Pieces of copper Coin, this medium of Exchange has been too much neglected. The more valuable Metals are daily giving Place to base British half Pence, and no means are used to prevent the Fraud. This Disease which is neglected in the Beginning, because it appears trifling, may finally prove very destructive to commerce. It is admitted that Copper may at this Instant be purchased in America at ⅓ of a Dlr the Pound. British half Pence made at the Tower are 48 to the Pound. Those manufactured at Birmingham and ship'd in Thousands for our Use, are much lighter, and they are of base Metal. It can hardly be said that 72 of them are worth a Pound of Copper. Hence it will follow, that we give for British half Pence about six Times their Value. There are no Materials from which we can estimate the Weight of half Pence that have been imported from Britain since the late War. But we have heard of sundry Shipments being ordered, to the nominal amount of 1,000 Guineas, and we are told, that no Packet arrives from England, by which we are not accommodated with some hundred Weight of base Half Pence. It is a very moderate Computation which States our Loss on the last 12 months, at 30 Thousand Dollars by the Commerce of vile Coin. The whole Expence of a Mint would not have amounted to half of that Sum, and the whole Expence of domestic Coinage would remain in the Country.

The following forms of Money are submitted.

	Dlrs.	
1 Piece of Gold of	5.	
1 Piece of Silver of	1	containing 362 Grs. pure Silver. This is the Unit or Money of Account.
1 Do	1/2 or .5	
1 Do	1/4 or .25	
1 Do	1/10 or .1	
1 Do	1/20 or .05	
1 Piece of Copper of	1/100 or .01	
1 Do	1/200 or .005	

The Quantity of pure Silver being fixed that is to be in the Unit or Dlr, and the relation between Silver and Gold being fixed, all the other Weights must follow.

When it is considered, that the Spaniards have been reducing the

Weight of their Dlrs. and that instead of 385.5, the Grains of pure Silver in the old Mexican Dollar, the new Dollars have not more than 365 Grains, it will hardly be thought that 362 Grains of pure Silver is too little for the federal Coin, which is to be current in all Payments for One Dollar. Some of the old Dlrs will admit of a second Coinage, but the new ones will not. If the Value of Gold compared to that of Silver, be fixed at 15 to one, and the Alloy in each be 1/12 the Weight of the several Denominations will be readily determined.

The Price of Bullion is immediately determined by the percentage that is charged towards the Expences of the Mint.

If the U. S. shall determine to adhere to the Dollar as their Money of Account, and to simplify Accounts by the Use of Decimals, there is nothing to prevent the immediate commencement of a Coinage of Copper.

Let the copper Pieces, of which 100 are to pass for a Dlr, contain each 131 Grains of pure Copper, or 44 of them weigh 1 Pound. In this case our copper Coin, when compared with the Money of Account, will be 6 p Ct. better than that of Great Britain. There will remain a sufficient Profit on the Coinage.

Copper of the best Quality in Plates, may be purchased in Europe at 10½ Stg. In cutting Blanks there will be a waste of 22 p Ct. Those Clippings are worth 7d½ p lb. Hence the blanks will cost 11d½ nearly; it may be stated at 1s. 9d. New York Money p Pound, exclusive of the Expence of cutting them, which is not great, as one Man can readily cut 100 Wt. in a day.

The Operation improperly called milling, by which the sharp edges are worn off from the Coppers, is not more expensive than cutting the Blanks.

In the Process of coining Copper, Eight Artists or Labourers may be required.

One Engraver, 1 Labourer for the blank Press. One Smith, 5 Labourers for the coining Press. By those people 100 Weight of Copper may readily be coined every Day, or the Value of 44 Dlrs. Deducting the necessary Expences, there may be saved 30 p Ct.

~~It is not of any importance by what Name our Copper Coin is distinguished, but it should have some Name. They are not to be Pence nor half Pence and though they might be of the same Value we should not have such Words in our Language as applicable to our own Money. The French have their Sous and the Dutch their Deits and Stivers; perhaps from the circumstance of our Coin being numbered by Decimals we might call some Piece of Money a Decad—let it be the largest Copper.~~

~~Device and Inscription for one Side~~[1]

[1] This report, in the writing of Hugh Williamson, is in the *Papers of the Continental Congress*, No. 26, folios 537–542.

The printed copy of the report (a folio pamphlet of 12 pages) contains: 1st, the Propositions as written out by Williamson, with a ms. line drawn around the phrases enclosed in brackets and the words "agreed" noted against them. 2d, the letter from Robert Morris, dated January 15, 1782. 3d, a plan, or suggestion, of coinage, which, in the writing of Gouverneur Morris, is in the *Papers of the Continental Congress*, No. 26, folio 557. 4th, "Notes on the Establishment of a Money Mint, and of a coinage for the United States. By Mr. Jefferson." It is endorsed with the names of the Grand Committee: Mr. [David] Howell, Mr. [Abiel] Foster, Mr. [Rufus] King, Mr. [Joseph Platt] Cook, Mr. [Melancton] Smith, Mr. [John] Beatty, Mr. [Joseph] Gardner, Mr. [John] Vining, Mr. [William] Hindman, Mr. [James] Monroe, Mr. [Hugh] Williamson, Mr. [Charles] Pinckney and Mr. [William] Houstoun.

The ms. report is indorsed by Thomson: "Read May 13, 1785 Thursday next assigned for consideration To be printed with the plans of the late Superint. of finance and of Mr. Jefferson." and in another hand: "Mint established on principles reported by the board of treasury and passed—Augt 8, 1786. See Instructions to Delegates of Massachusetts—read Decr. 3d 1784." See *post*, July 6, and *ante*, 1782, Feb. 21. The report of the committee there referred to is indorsed by Thomson: "1785, Jany. 25 Super int: letter 15 Jany 1782 on a Mint referred to Grand Com^{tee}" Jefferson's Notes are in No. 26, folio 545. They were printed in *The Providence Gazette and Country Journal* for July 24, 1784, Vol. XXI, No. 1073, a copy of which is in No. 26, folio 559.

Propositions reſpecting the Coinage of Gold, Silver, and Copper.

Firſt. THE value of ſilver compared with gold. Second. The weight or ſize of the ſeveral pieces of money that are to be made. Third. The money arithmetic, or the mode in which it is to be counted; and fourth, The charges of coinage are to be conſidered.

1. In France, 1 grain of pure gold is counted worth 15 grains of ſilver. In Spain, 16 grains of ſilver are exchanged for 1 of gold, and in England 15½. In both of the kingdoms laſt mentioned, gold is the prevailing money; becauſe ſilver is undervalued. In France ſilver prevails. Sundry advantages would ariſe to us from a ſyſtem by which ſilver might become the prevailing money. This would operate as a bounty to draw it from our neighbours, by whom it is not ſufficiently eſteemed. Silver is not exported ſo eaſily as gold, and it is a more uſeful metal.

Certainly our exchange ſhould not be more than 15 grains of ſilver for one of gold. It has been alledged by the late financier, that we ſhould not give more than 14¹; perhaps 14½ would be a better medium, conſidering the quantity of gold that may be expected from Portugal.

2. The weight, ſize or value of the ſeveral pieces of money that ſhall be made, or rather the moſt convenient value of the money unit, is a queſtion not eaſily determined, conſidering that moſt of the citizens of the United States, are accuſtomed to count in pounds, ſhillings and pence; and that thoſe ſums are of different values in the different ſtates: hence they convey no diſtinct ideas. The money of the United States ſhould be equally fitted to all. The late financier has propoſed to make gold and ſilver pieces of particular weight; and there is a very ſimple proceſs, by which the imaginary money of the ſeveral ſtates may be tranſlated into ſuch pieces, or vice verſa. He propoſes that the money unit be one quarter of a grain of pure ſilver. That the ſmalleſt coin be of copper, which ſhall be worth 5 of thoſe units. The ſmalleſt ſilver coin to be worth 100 units; another to be worth 500; another of 1000; and thus increaſing decimally.

The objections to this plan are, that it introduces a coin unlike in value to any thing now in uſe. It departs from the national mode of keeping accounts, and tends to preſerve inconvenient prejudices. Whence it muſt prevent national uniformity in accounts; a thing greatly to be deſired.

Another plan has been offered, which propoſes, that the money unit be one dollar; and the ſmalleſt coin is to be of copper, of which 200 ſhall paſs for one dollar. This plan alſo propoſes, that the ſeveral pieces ſhall increaſe in a decimal ratio; and that all accounts be kept in decimals, which is certainly by much the moſt ſhort and ſimple mode.

In favour of this plan it is urged, that a dollar, the propoſed unit, has long been in general uſe. Its value is familiar. This accords with the national mode of keeping accounts, and may in time produce the happy effect of uniformity in counting money throughout the union.

3. The money arithmetic, though an important queſtion, is one that can admit of little diſpute. All accomptants muſt prefer decimals.

4. What is the beſt mode of defraying the expence of coinage? Different nations have adopted different ſyſtems. The Britiſh value their ſilver when coined, no higher than bullion. Hence it follows, that the expence of the mint, increaſing the civil liſt, muſt be paid by a general tax; and tradeſmen are diſpoſed to work up the current coin, by which the tax is increaſed and continued. In ſome other countries ſilver or gold when coined, are valued above the price of bullion; whence tradeſmen are diſcouraged from melting or working up the current coin, and the mint is rather profitable than burdenſome. Certainly there are good and concluſive reaſons, why we ſhould value the national coin above the price of bullion, but there is a certain point beyond which we may not proceed, leſt we encourage counterfeits, or private imitations of our coin. It has been propoſed to make a difference of 2½ per cent. nearly, as an allowance for the coinage of gold, and of 3.013 per cent. for the coinage of ſilver. It is probable that 3 per cent. would more than defray the expence of coining ſilver, in which caſe it would be a temptation to private imitation, and would operate againſt the free circulation of the money, as being valued too high. It is to be remembered that ſilver coin ought to be encouraged, and probably

fully 1 per cent. or 2 ½ per cent. would be a proper difference between ſilver coined and bullion. The ſame allowance to be made in the price of gold. If this does not fully pay the expences of the mint, there will be a much larger gain on the coinage of copper; and if there ſhould remain a ſmall balance againſt the mint, its operation will not be unfavourable.

The coinage of copper is a ſubject that claims our immediate attention. From the ſmall value of the ſeveral pieces of copper coin, this medium of exchange has been too much neglected. The entire valuable metals are daily giving place to baſe Britiſh halfpence, and no means are uſed to prevent the fraud. This diſeaſe, which is neglected in the beginning, becauſe it appears trifling, may finally prove very deſtructive to commerce. It is admitted that copper may at this inſtant be purchaſed in America at ⅓ of a dollar the pound. Britiſh halfpence made at the tower are 48 to the pound. Thoſe manufactured at Birmingham, and ſhipped in thouſands for our uſe, are much lighter, and they are of baſe metal. It can hardly be ſaid that 72 of them are worth a pound of copper. Hence it will follow, that we give for Britiſh halfpence, about ſix times their value. There are no materials from which we can eſtimate the weight of halfpence that have been imported from Britain ſince the late war. But we have heard of ſundry ſhipments being ordered, to the nominal amount of 1000 guineas; and we are told, that no packet arrives from England, without ſome hundred weight of baſe halfpence. It is a very moderate computation which ſtates our loſs on the laſt twelve months, at 30,000 dollars, by the commerce of vile coin. The whole expence of a mint would not have amounted to half of that ſum, and the whole expence of domeſtic coinage would remain in the country.

The following forms of money are ſubmitted.

	Dollars.
1 piece of gold of	5
1 piece of ſilver of dol.	1 containing 362 grains pure ſilver. This is the unit or money of account.
1 ditto,	or .5
1 ditto,	or .25
1 ditto,	or .1
1 ditto,	or .05
1 piece of copper of	or .01
1 ditto,	or .005

The quantity of pure ſilver being fixed that is to be in the unit or dollar, and the relation between ſilver and gold being fixed, all the other weights muſt follow.

When it is conſidered, that the Spaniards have been reducing the weight of their dollars, and that inſtead of 385. 5 the grains of pure ſilver in the old Mexican dollar, the new dollars have not more than 365 grains, it will hardly be thought that 362 grains of pure ſilver is too little for the federal coin, which is to be current in all payments for one dollar. Some of the old dollars will admit of a ſecond coinage; but the new ones will not. If the value of gold compared to that of ſilver, be fixed at 15 to one, and the alloy in each be $\frac{1}{12}$, the weight of the ſeveral denominations will be readily determined.

The price of bullion is immediately determined by the per centage that is charged towards the expences of the mint.

If the United States determine to adhere to the dollar as their money of account, and to ſimplify accounts by the uſe of decimals, there is nothing to prevent the immediate commencement of a coinage of copper.

Let the copper pieces, of which 100 are to paſs for a dollar, contain each 131 grains of pure copper, or 44 of them weigh one pound. In this caſe our copper coin, when compared with the money of account, will be 6 per cent. better than that of Great Britain. There will remain a ſufficient profit on the coinage.

Copper of the beſt quality in plates, may be purchaſed in Europe at 10d. ½ ſterling. In cutting blanks there will be a waſte of 22 per cent. Thoſe clippings are worth 7d. ½ per pound. Hence the blanks will coſt 11d. ½ nearly, and may be fixed at 12.9d. New York money per pound, excluſive of the expence of cutting them, which is not great, as one man can readily cut 100 weight in a day.

The operation, improperly called milling, by which the ſharp edges are worn off from the coppers, is not more expenſive than cutting the blanks.

In the proceſs of coining copper, eight artiſts or labourers may be required.

One engraver, 1 labourer for the blank preſs.

One ſmith, 5 labourers for the coining preſs.

By theſe people 100 weight of copper may readily be coined every day, or the value of 44 dollars. Deducting the neceſſary expences, there may be ſaved 30 per cent.

Offices

[3]

OFFICE OF FINANCE, *January* 15, 1782.

SIR,

FINDING by the act of the United States in Congreſs, of the ſeventh inſtant, that I am inſtructed to prepare and report a table of rates at which the different ſpecies of foreign coins moſt likely to circulate within the United States ſhall be received at the treaſury, I have been induced again to turn my attention to an object which has employed my thoughts very frequently, and which would have been long ſince ſubmitted to Congreſs, had I not been prevented by other buſineſs, and much delayed by thoſe things relating to this buſineſs, which depended upon others. I ſhall now pray leave to deliver my ſentiments ſomewhat at large on this ſubject.

The United States labour under many inconveniences, and even diſadvantages, which may at preſent be remedied; but which, if ſuffered to continue, would become incurable, and lead to pernicious conſequences. It is very fortunate for us, that the weights and meaſures uſed throughout America are the ſame. Experience has ſhewn in other countries, that the efforts of the legiſlature to change weights and meaſures, although fully ſeconded by the more enlightened part of the community, have been ſo ſtrongly oppoſed by the popular habits and prejudices, that ages have elapſed without producing the deſired effect. I repeat therefore, that it is happy for us to have throughout the union, the ſame ideas of a mile and an inch, a hogſhead and a quart, a pound and an ounce. So far our commercial dealings are ſimplified, and brought down to the level of every capacity. With reſpect to our money the caſe is very widely different. The ideas annexed to a pound, a ſhilling, and a penny, are almoſt as various as the ſtates themſelves. Calculations are therefore as neceſſary for our inland commerce, as upon foreign exchanges; and the commoneſt things become intricate where money has any thing to do with them. A farmer in New-Hampſhire, for inſtance, can readily form an idea of a buſhel of wheat in South Carolina, weighing ſixty pounds, and placed at one hundred miles from Charleſtown; but if he were told that in ſuch ſituation it is worth twenty-one ſhillings and eight pence, he would be obliged to make many enquiries and form ſome calculations before he could know that this ſum meant, in general, what he would call four ſhillings; and, even then, he would have to enquire what kind of coin that four ſhillings was paid in, before he could eſtimate it in his own mind according to the ideas of money which he had imbibed. Difficulties of this ſort do not occur to farmers alone, they are perplexing to moſt men, and troubleſome to all. It is however, a fortunate circumſtance, that money is ſo much in the power of the ſovereign, as that he can eaſily lead the people into new ideas of it: and even if that were not the caſe, yet the looſe ſtate in which our currency has been for ſome years paſt, has opened the way for receiving any impreſſions on that ſubject. As we are now ſhaking off the inconveniencies of a depreciating medium, the preſent moment ſeems to be that, in which a general currency can beſt be eſtabliſhed, ſo as that in a few months the ſame names of money will mean the ſame things, in the ſeveral parts of the United States.

Another inconvenience which admits of the ſame eaſy remedy, and which would indeed be cured by the very ſame act, is the want of a legal tender. This is as neceſſary for the purpoſes of juriſprudence, as a general currency is for thoſe of commerce. For although there is great impropriety, not to ſay injuſtice, in compelling a man to receive a part of his debt in diſcharge of the whole, yet it is both juſt and proper that the law ſhould protect the honeſt debtor who is willing to pay, againſt the vexatious ſuits of an oppreſſive creditor, who refuſes to receive the full value. The nature, value and uſe of money have always occaſioned ſtrong temptations to the commiſſion of fraud; and of conſequence the practice of counterfeiting is coeval with that of coining. No government can guard its ſubjects entirely againſt the wicked ingenuity which has been exerciſed in this reſpect; but it has always been the object of every wiſe government to take all the precautions againſt it which are within the compaſs of human ability. Theſe precautions will be moſt effectual, where the coins are few and ſimple; becauſe they, by that means, become familiar to all ranks and degrees of men; but where the coins are ſo numerous, that the knowledge of them is a kind of ſcience, the lower order of citizens are conſtantly injured by thoſe who carry on the buſineſs of debaſing, ſweating, clipping, counterfeiting and the like. It is therefore to be lamented that we have ſo many different coins in the United States.

It is not neceſſary to mention what is in every bodys mouth, that the precious metals were firſt uſed as bullion; and that the inconvenience of weighing, and the difficulty of aſſaying, introduced the practice of coining, in order that the weight and fineneſs might be known at the firſt view, and of conſequence the value be inſtantly aſcertained. It is equally unneceſſary to obſerve, that the great privilege of declaring this value, by particular marks, has among all nations been veſted, excluſively, in the ſovereign. A truſt ſo important could not indeed be veſted any where elſe; becauſe the danger of abuſing it was too great: And hiſtory informs us, that ſovereigns themſelves have not on this occaſion behaved with that integrity, which was alike due to their ſubjects and to themſelves, to the intereſts of their people, and to their own perſonal glory. Experience has already told

wold us, that the advantage of gold as a coin is, in this country, very conſiderably diminiſhed; for, every diſtinct piece muſt be weighed before it can be ſafely received. Both gold and ſilver coins are indeed preferable in one reſpect to common bullion, that the ſtandard is preſumed to be juſt, and conſequently they are received without the delays and expences of aſſaying. It muſt however be remembered, that they are all foreign coins, and of courſe we are not only expoſed to the tricks of individuals, but ſhould it ſuit the intereſt or convenience of any ſovereign to make baſe money for us, there is nothing to prevent it. If, for inſtance, the king of England, or any of his Birmingham artiſts, ſhould coin guineas worth but ſixteen ſhillings ſterling, our citizens would readily and freely receive them at twenty one ſhillings ſterling. It is my duty to mention to Congreſs, information I have received, that guineas of baſe metal are coined at Birmingham ſo well, as to eſcape any common attention. Now there can be no doubt but that every ſuch guinea received here, would be a nation's loſs to us of an Engliſh crown. How much we ſuffer in this way at preſent, it is impoſſible to eſtimate. What I have already had the honor to obſerve, contains ſome of the reaſons why it appears to me highly neceſſary that an American coin ſhould be adopted without delay; and to theſe reaſons it may be added, that there is a want of ſmall money for the common occaſions of trade, and that it is more felt by our ſoldiery than any other perſons. For the little pay which they do receive, being either in gold or at beſt in dollars, the ſuttlers and others with whom they have dealings, continually take advantage of their want of change, and rate the prices of their goods accordingly.

Shortly after my appointment, finding that there was a conſiderable quantity of public copper at Boſton, I ordered it round to this place. It has ſafely arrived, and will, when coined, amount to a conſiderable ſum. The neceſſary machinery of a mint can be eaſily made, and there are perſons who can perform the whole buſineſs. I muſt pray leave therefore, to ſubmit to Congreſs, ſome few more particular remarks on the ſubject, as introductory to a plan for an American coin.

Although moſt nations have coined copper, yet that metal is ſo impure, that it has never been conſidered as conſtituting the money ſtandard. This is affixed to the two precious metals, becauſe they alone will admit of having their intrinſic value preciſely aſcertained. But nations differ very much in the relation they have eſtabliſhed between gold and ſilver. In ſome European countries, an ounce of pure gold paſſes for fifteen ounces of pure ſilver. In others for fourteen. In China it paſſes for much leſs. The ſtandard therefore which is affixed to both metals, is in reality affixed to neither. In England, gold is to ſilver nearly in the proportion of one to fifteen, and in France nearly of one to fourteen. If a man carries fourteen ounces of gold from France to England, he receives two hundred and ten ounces of ſilver, which in France purchaſes fifteen ounces of gold; ſo that he gains on that exchange one ounce of gold. In like manner he who carries from England fourteen ounces of ſilver to France, receives one ounce of gold, which in England purchaſes fifteen ounces of ſilver, wherefore he gains on that exchange one ounce of ſilver. If it be then ſuppoſed that the coins of theſe two countries were alike pure, it muſt follow that in a ſhort time all the gold coin of full weight would be in England, and all the ſilver coin of full weight in France. But the light ſilver circulating in England, and the light gold in France, the real ſtandard of coin in each would be different from the legal, and ſeek a medium of fourteen and an half of ſilver for one of gold, although the legal ſtandard might ſtill be in the one place fifteen, and in the other fourteen.

The demand which commerce might make for any one of the precious metals in preference of the other, would vary this real ſtandard from time to time, and in every payment a man would get more or leſs of real value for his debt, according as he were paid in the coin of greater or leſſer value, in relation to the real ſtandard. If, for inſtance, the debt were contracted when the ſilver was to gold, as one to fifteen, and paid when as one to fourteen, if the debt were paid in ſilver he would gain one thirtieth, and if in gold he would lo[illegible] thirtieth. In England the money ſtandard is rather affixed to gold than to ſilver, becauſe all payments are made in the former, and in France it is rather affixed to ſilver than to gold.

Arguments are unneceſſary to ſhew that the ſcale by which every thing is to be meaſured ought to be as fixed as the nature of things will permit of. Since therefore, a money ſtandard affixed to both the precious metals will not give this certain ſcale, it is better to make uſe of one only. Gold is more valuable than ſilver, and ſo far muſt have the preference, but it is from that very circumſtance the more expoſed to fraudulent practices. Its value rendering it more portable is an advantage, but it is an advantage which paper poſſeſſes in a much greater degree, and of conſequence the commercial nation of England has had recourſe to paper for the purpoſes of its trade; although the baſis of circulating coin is gold. It will be always in our power to carry a paper circulation to every proper extent. There can be no doubt therefore that our money ſtandard ought to be affixed to ſilver.

But

But ſilver is liable like every thing elſe, to a change of value; if there is a demand for it, to export, the value will riſe, if the contrary, it will fall; and ſo far it cannot be conſidered as a fixed meaſure of value. Before this objection be conſidered, it will be proper to make a few reflections on another part of the preſent ſubject; but in this place I remark, that if the objection cannot be removed, we muſt not ſuffer it to preponderate, becauſe it weighs alike againſt every other metal.

To coin money is a certain expence, and of courſe it is an expence which muſt be borne by the people. In England, the coin when melted, will ſell as bullion for juſt as much as its weight in other coin. The expence of coinage is paid by the crown; and of courſe it is raiſed by taxes from the people. In France, the coinage inſtead of being expenſive, yields a profit. The price given for metal at the mint, is about eight per cent. leſs than the ſame quantity will yield when coined at the French ſtandard. Both of theſe methods are liable to objections. When commerce demands an exportation of bullion from England, the coin of the kingdom goes out in common with others; this increaſes of courſe the national expence of coinage. Laws to prevent the exportation or importation of any thing ſo valuable as money, are always nugatory; becauſe they always CAN be eluded; and therefore when private intereſt requires, they always WILL be eluded. That the guineas of England therefore are not continually going away, is to be attributed to the extraordinary value affixed to gold, which has juſt been mentioned, and which baniſhes ſilver continually. In France, the people are not liable to this inconvenience, becauſe their money paſſing for more than its value in bullion, bullion will always be exported in preference of coin: but for the ſame reaſon there is always a ſtrong temptation to imitate their coin, and ſend it for the purchaſe of their commodities. It would be both impoſſible and unneceſſary to diſtinguiſh the true from the falſe; becauſe both would be of equal intrinſic value; the place at which they were ſtruck would be indifferent to the receiver, of conſequence the foreigner who made French coin would gain by his trade, and the French nation would loſe proportionately.

The money paid for coining, or the coinage of France, has however this advantage, that the money is a ſtandard which does not fluctuate with the price of bullion. This coinage is, as has been ſaid, about eight per cent. When bullion is below ninety-two, it is carried to the mint, when above ninety-two to the broker or ſilverſmith. The coin ſtill continues fixed, nor will it bear exportation until billion riſes to an hundred, when the French coin would be as liable to exportation as the Engliſh. In that caſe it would be exported on one hand, while on the other no more would have been coined for a conſiderable period, becauſe to make the eight per cent. coinage, it is neceſſary that the mint price ſhould be ninety-two. The coin therefore could not long be exported, if at all, but would ſoon reſume its value. The price of bullion muſt fluctuate between ninety-two and an hundred, while the coin would preſerve its fixed quality as money.

Hence then it appears proper, that the price of coinage ſhould be defrayed by the coinage, becauſe firſt it is natural and proper, that the price ſhould be paid when the benefit is received, and that the citizen in return for the advantage of being aſcertained in the value of the medium of commerce by the ſovereign, ſhould pay for aſcertaining it, juſt as that he ſhould pay for the faſhion of the piece he uſes, or the conſtruction of the cart he employs. Secondly, it is right that money ſhould acquire a value as money, diſtinct from that which it poſſeſſes as a commodity, in order that it ſhould be a fixed rule whereby to meaſure the value of all other things; and thirdly, it is wiſe to prevent the exportation of the coin, which would involve an unneceſſary national expence, and alſo to prevent the imitation of it abroad, ſo as to create a national loſs; for both which purpoſes it is proper that the coinage ſhould only defray the expence, without making any conſiderable profit. The laws uſual in all countries with reſpect to the money will then fully operate the effect intended.

In order that a coin may be perfectly intelligible to the whole people, it muſt have ſome affinity to the former currency. This therefore, will be requiſite in the preſent caſe. The purpoſes of commerce require that the leaſt diviſible point of money, or what is more properly called the money unit, ſhould be very ſmall; becauſe by that means the price can be brought in the ſmalleſt things to bear a proportion to the value. And although it is not abſolutely neceſſary, yet it is very deſireable that money ſhould be increaſed in a decimal ratio, becauſe by that means all calculations of intereſt, exchange, inſurance and the like, are rendered much more ſimple and accurate, and of courſe more within the power of the great maſs of people. Wherever ſuch things require much labour, time and reflection, the greater number who do not know, are made the dupes of the leſſer number who do.

The various coins which have circulated in America, have undergone different changes in their value, ſo that there is hardly any which can be conſidered as a general ſtandard, unleſs it be Spaniſh dollars. Theſe paſs in Georgia at five ſhillings, in North-Carolina and New-York at eight ſhillings, in Virginia and the four eaſtern ſtates at ſix ſhillings, in all the other ſtates, except South-Carolina, at ſeven ſhillings and ſix pence, and in South-Carolina

ſhillings at thirty two ſhillings and ſix pence. The money unit of a new coin to agree without a fraction with all theſe different values of a dollar except the laſt, will be the fourteen hundred and ſortieth part of a dollar, equal to the ſixteen hundredth part of a crown; of theſe units twenty four will be a penny of Georgia; fifteen will be a penny of North-Carolina or New-York; twenty will be a penny of Virginia and the four eaſtern ſtates; ſixteen will be a penny of all the other ſtates except South-Carolina, and forty eight will be thirteen pence of South-Carolina.

It has been already obſerved, that to have the money unit very ſmall is advantageous to commerce; but there is no neceſſity that this money unit be exactly repreſented in coin, it is ſufficient that its value be preciſely known. For the preſent occaſion, two copper coins will be proper; the one of eight units, and the other of five. Theſe may be called an eight and a five: two of the former will make a penny proclamation or Pennſylvania money, and three a penny Georgia money; of the latter three will make a penny York money, and four a penny lawful or Virginia money. The money unit will be equal to a quarter of a grain of fine ſilver in coined money: Proceeding thence in a decimal ratio, one hundred would be the loweſt ſilver coin and might be called a cent. It would contain twenty five grains of fine ſilver, to which may be added two grains of copper, and the whole would weigh one pennyweight three grains: Five of theſe would make a quint or five hundred units, weighing five pennyweight fifteen grains; and ten would make a mark or one thouſand units, weighing eleven pennyweight ſix grains.

If the mint price of fine ſilver be eſtabliſhed at 22,237 units per pound, this being coined, would be four times 5,760 grains, or 23,040 units; the difference is 803 units, and therefore the coinage is 803 on 23,040, or ſomewhat more than 3 ½ per cent, which would be about the expence attending it. A dollar contains by the beſt aſſays which I have been able to get, about 373 grains of fine ſilver, and that at the mint price would be 1,440 units. In like manner if crowns contain from 414 to 415 grains of fine ſilver, they would at the mint price be worth 1,600 units.

When ſuch a coin ſhall have been eſtabliſhed, the value of all others would be eaſily aſcertained; becauſe nothing more would be neceſſary than to have them aſſayed at the mint. The advantage of poſſeſſing legal money in preference of any other, would induce people to carry foreign coin to the mint, until a ſufficiency were ſtruck for the circulating medium, the remainder of the foreign ſilver, together with the gold, ſhould be left entirely to the operations of commerce as bullion.

In the preſent moment it is by no means of ſuch conſequence to eſtabliſh the relative value of different coins, as to provide a ſtandard of our own by which in future to eſtimate them. If the value were now fought they muſt all be eſtimated in dollars, becauſe dollars are called for in the ſeveral requiſitions of Congreſs. Without noticing the preference thus given to one foreign coin over another, it is ſufficient to obſerve, that if greater alloy ſhould be introduced by the Spaniſh government into their dollars, our interior regulations as to money would be overturned, and certainly we have no ſecurity that this will not happen. There is not any great inconvenience from leaving matters on their preſent footing until they can be remedied by the operations of a mint: for it is not to be ſuppoſed that all the money raiſed by taxes in a ſtate is to be brought out of it. I expect that there will be very little occaſion to tranſport money from place to place. It is much eaſier to negotiate than to carry it; and if any ſpecies of money is generally received within a ſtate at the ſame rate in which it is paid in taxes, there will be no difficulty in expending it at its value. Whenever money ſhall be ſtruck by authority of the United States, then indeed it will be proper to receive in taxes no other coin.

If Congreſs are of opinion with me, that it will be proper to coin money, I will immediately obey their orders, and eſtabliſh a mint; and I think I can ſay with ſafety, that no better moment could be choſen for the purpoſe than the preſent: neither will any thing have a greater tendency to reſtore public credit; for although it is poſſible, that the new money will at firſt be received with diffidence by ſome, yet when it has been fairly allayed, it will gain full confidence from all, and the advantage of holding the only money which can pay debts or diſcharge taxes will ſoon give it the preference over all, and indeed baniſh all other from circulation. Whereas fixing a relation of value now, on whatever principles attempted, might give offence to the power whoſe coin ſhould in any inſtance be reduced from its preſent numerary value among us.

Theſe ſentiments are ſubmitted with all poſſible deference to the United States in Congreſs aſſembled, in expectation of their further inſtructions on the ſubject.

With great reſpect,
I have the honor to be,
SIR,
Your moſt obedient,
And humble ſervant,
ROBT. MORRIS.

His Excellency the PRESIDENT of CONGRESS.

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If one member of Congreſs from Georgia, another from Maſſachuſetts, a third from Pennſylvania, and a fourth from North-Carolina, were a committee to decide on the general currency of America, each would prefer that of his own particular ſtate. If a fifth member were added from South-Carolina, he (not being particularly attached to the new adopted ſterling of that country) might wiſh for an expedient to reconcile the litigants. He would therefore ſeek a currency which though different from either, would coincide with all.—The preſent currencies are in the following proportions to each other.

As $\frac{1}{24}$ to $\frac{1}{20}$ to $\frac{1}{16}$ to $\frac{1}{15}$ of a dollar; that is as 24 to 20 to 16 to 15.

Suppoſe then we take the following currency.—

	C.
1 crown, or 10 dollars,	1.0000
1 dollar, or 10 bits,	1000
1 bit, or 10 pence,	100
1 penny, or 10 qrs.	10
1 qr. (i. e.) a quarter of a grain of fine ſilver,	1

This currency may (by means of a ſmall profit taken to defray the expence of coining) be ſo adjuſted, as to be in the proportions above mentioned; and then

The penny of Georgia will be	24 qrs.
of Virginia and the four eaſtern ſtates,	20
of Maryland, Delaware, Pennſylvania and New-Jerſey,	16
of North-Carolina and New-York,	15

To accompliſh this matter,

Let the crown be made of gold, 22 carrats fine, and weigh 188 grains.

Let the dollar be made of ſilver, and contain 250 grains pure, and 10 of alloy, 260 grains.

Let the mint give for every pound of ſtandard gold, brought in for ſale 29.9000.

for every pound of pure ſilver, 2.2340

On this ſtate of things let it be aſked, 1ſt. What is the coinage or profit on coining? and 2dly, What is the proportion reſulting from thence between the precious metals? To anſwer the firſt, ſay, As 188 grains of ſtandard gold, the propoſed weight of a crown, to 1.0000 the propoſed value; ſo is 5760 grains, the quantity in a pound, to 30.6383, the value when coined—And as 29.9000 the mint price, to 30.6383; ſo is 100, to 102.47, nearly. The coinage of gold therefore will be about $2\frac{47}{100}$ per cent. Say again, as 2.2340 the mint price of fine ſilver, to 2.3040, the value of 5760 grains, at 4 qrs. each; ſo is 100 to 103.13, nearly. The coinage of ſilver therefore will be about $3\frac{13}{100}$ per cent. Theſe per centages will about defray the expences of the mint.——And note here, that ſince the expence muſt be paid, no tax for the purpoſe can be more equitable than one which is raiſed on the money itſelf.

To anſwer the ſecond queſtion, ſince a pound of gold at 22 carrats, contains 5280 grains of pure metal, and this is worth as above, 30.6383 quarters of a grain of fine ſilver, ſay, as 21120 qrs. of fine gold, to 30.6383 qrs. of fine ſilver; ſo is one of fine gold, to $14\frac{1}{3}\frac{1}{3}\frac{1}{3}$ of fine ſilver, being ſomewhat more than $14\frac{1}{3}$ of ſilver for 1 of gold.

It remains next to ſee what are the values of this money, but a previous obſervation muſt be made, viz. That by the currency of clipt gold, the value of American money has been conſiderably depreciated. Thus the par between ſterling and Pennſylvania currency was 166⅔ currency for 100 ſterling. But 3 dwt. of gold are current for 20s. A pound of gold is therefore equal to L. 80 currency; and two pounds or 89 guineas, to L. 160. Therefore L. 93 : 9 : 0 ſterling, equals L. 160 Pennſylvania currency. And as L. 93 : 9 : 0 is to L. 160, ſo is L. 100 to L. 171 : 4 : 3½ the preſent par, inſtead of L. 166 : 13 : 4. the former par.

To return then to the value of the money propoſed. A guinea ought to contain 129½ grains; therefore ſay, as 5760 grains, or 1lb. of gold, to 29.9000 the mint price; ſo is 129½ to 6722, which divided by 16 to reduce it to Pennſylvania currency, gives 420d. or 35s. The French crown ought to contain 412½ grains pure ſilver; therefore ſay, as 5760 grains, to 2.2340 the mint price; ſo is 412½ grains, to 1600, or 8s. 4d. Pennſylvania currency. Laſtly, the dollar contains about 372 grains of fine ſilver; but there is much difference between the old and new dollars: ſay then, as 5760 is to 2.2340; ſo is 372 to 1442, or 7s. 6d. ½ Pennſylvania currency. The value of the dollar, therefore, may be ſtated at 1440; and this divided by the proportional numbers before mentioned, gives the different values. Thus

Divided by 24, it gives the value in Georgia,	60 pence.
by 20, that of Virginia and the four eaſtern ſtates,	72
by 16, that of Pennſylvania, Maryland, Delaware and New-Jerſey,	90
by 15, that of North-Carolina and New-York,	96

And the ſame thing will appear from a ſimilar operation upon the value of a guinea or French crown as above ſpecified. Hence reſults a corollary of ſome importance towards ſimplifying the complex ſubject of money, viz. That in the propoſed currency, a quarter of

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of a grain of pure ſilver (the ſmalleſt fractional part) would ſerve as a common expreſſion or denominator, to all the different currencies now in uſe; and any ſum on a merchant's books might be reduced to that expreſſion with eaſe and exactneſs. Suppoſe for inſtance L.153 : 13 : 4.

	C.	qrs.
Thiſum would in Georgia be expreſſed by - - -	87	36
in Virginia and the four eaſtern ſtates, - -	72	8
in Maryland, Pennſylvania, Delaware and New-Jerſey, -	58	24
in North-Carolina and New-York, - -	54	6

So far we have rather had in contemplation the money of account. Let us now proceed to the coins. Theſe may be as follows.

					C.		Penſ. cur.				Virg. cur.		
Of gold	1	weighing	188	grs.	Expreſſion 1.0000	value	L. 2	12	1	-	L. 2	1	8
	1	-	94	- -	.5000	-	1	6	0½	-	1	0	10
Of ſilver	1	-	260	- -	.1000	-	0	5	2½	-	0	4	2
	½	-	104	- -	..400	-	0	2	1	-	0	1	8
	1	-	52	- -	..200	-	0	1	0½	-	0	0	10
	1	-	26	- -	..100	-	0	0	6½	-	0	0	5
Of copper	1	-	-	- -	.... ⅝	-	-		-	-	0	0	0½
	1	-	-	- -	 4	-	0	0	0½	-	-		-

Hence it appears that theſe coins would agree with the currency of nine ſtates out of the thirteen, with like preciſion as the money of account repreſented, would agree with them all.

Let us next examine the ſtate of exchanges which would reſult from the adoption of ſuch a plan. And here we ſhould confine our view to thoſe three countries with whom we have exchange-dealings, viz. England, France and Holland. As to Spain and Portugal, we barter our produce for theirs, among the articles of which are ſilver and gold.—It has already been noted, that 2lb. of ſtandard gold, are 89 guineas, or 1,869 ſhillings; and that 1lb. of the coined gold is 30.6383, conſequently 2lb. are 61.2766: Therefore ſay, as 1869, is to 61.2766; ſo is 20 to 6556, the value of a pound ſterling. It has alſo been mentioned, that the French crown or 6 livres, contains 412½ grains of pure ſilver, that is 1650qrs. Therefore ſay, as 6 is to 1650; ſo is 1 to 276, the value of a livre.—The exchanges with Holland are taken upon the bank florin, which is merely a money of account, and the current money varies from it at the rate of from 2 to 5 per cent. advance. The bank guilder or florin, muſt therefore be taken at a medium value, and will be found worth 600.—On theſe values we ſhall find the following par-exchanges among thoſe countries, viz.

						F.	ſt.	g.			Liv.	s.	d.
L. 1 ſterling,	or	.6556	equal to about			10	10	8	and	about	23	16	10
F. 1	-	-	..600	-	ſterling L.	0	1	10	-	-	2	3	8
											F.	ſt.	g.
Liv. 1	-	-	..275	-	-	0	0	10.⅛	-	-	0	9	2½

The advantages of coining money in this country are, firſt, thoſe which ariſe from the ſame operation in all other countries; and ſecondly, that of reducing all our currencies to one. The advantages from the coin here propoſed are, firſt, that none other will effect the object already mentioned of baniſhing other currencies, becauſe that alone applies without fractions to them all. Secondly, that the minuteneſs of its loweſt denomination would render it an accurate meaſure of the ſmalleſt variations of quantity or quality in any commodity. Thirdly, that the decimal proportion of its parts would render all calculations in it eaſy, as appears in the calculations and conſequent rates of exchange above mentioned: And laſtly, that few figures would be uſed for the largeſt ſum, while at the ſame time the ſmalleſt ſums would be comprehended. For if the loweſt denomination be of conſiderable value recourſe muſt be had to fractions, as in England, where the penny is divided into fourths, eighths, and ſometimes ſixteenths, and even then without ſufficient accuracy; whereas the loweſt denomination of the coin here propoſed will be about $\frac{1}{10}$ of a penny ſterling.

Laſtly, as to the names above choſen, they, like all other names, are arbitrary, and better may perhaps be ſubſtituted. The word crown occurred from the following idea of an impreſſion for the gold coin—An Indian, his right foot on a crown, a bow in his left-hand, in his right-hand thirteen arrows; and the inſcription MANUS INIMICA TYRANNIS.

NOTES

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NOTES on the ESTABLISHMENT of a MONEY MINT, and of a COINAGE for the UNITED STATES. By Mr. Jefferſon.

IN fixing the unit of money, theſe circumſtances are of principal importance. 1. That it be of convenient ſize, to be applied as a meaſure to the common money tranſactions of life. 2. That its parts and multiples be in an eaſy proportion to each other, ſo as to facilitate the money arithmetic. 3. That the unit and its parts or diviſions be ſo nearly of the value of ſome of the known coins, as that they may be of eaſy adoption by the people.

The Spaniſh dollar ſeems to fulfil all theſe conditions.

1. Taking into our view all money tranſactions, great and ſmall, I queſtion if a common meaſure, of more convenient ſize than the dollar, could be propoſed. The value of 100, 1,000, 10,000 dollars, is well eſtimated by the mind; ſo is that of the tenth, or the hundredth of a dollar. Few tranſactions are above or below theſe limits. The expediency of attending to the ſize of the money-unit will be evident to any one, who will conſider how inconvenient it would be to a manufacturer, or merchant, if inſtead of the yard for meaſuring cloth, either the inch or the mile had been made the unit of meaſure.

2. The moſt eaſy ratio of multiplication and diviſion is that by ten. Every one knows the facility of decimal arithmetic. Every one remembers that when learning money Arithmetic, he uſed to be puzzled with adding the farthings, taking out the fours and carrying them on; adding the pence, taking out the twelves and carrying them on, adding the ſhillings, taking out the twentieths and carrying them on, but when he came to the pounds, where he had only tens to carry forward, it was eaſy and free from error. The bulk of mankind are ſchool-boys through life. Theſe little puzzlements are always great to them, and even mathematical heads feel the relief of an eaſier ſubſtituted for a more difficult proceſs. Foreigners too, who trade or travel among us, will find a great facility in underſtanding our coins and accounts from this ratio of ſub-diviſion. Thoſe who have had occaſion to convert the livres, ſols and deniers of the French, the gilders, ſtivers and pennings of the Dutch, the pounds, ſhillings, pence and farthings of theſe ſeveral ſtates, into each other, can judge how much they would have been aided, had their ſeveral ſub-diviſions been in a decimal ratio. Certainly in all caſes where we are free to chooſe between eaſy and difficult modes of operation, it is moſt rational to chooſe the eaſy. The financier therefore, in his report, will propoſe that our coins ſhould be in decimal proportions to one another. If we adopt the dollar for our unit, we ſhould ſtrike four coins, one of gold, two of ſilver, and one of copper, viz.

1. A golden piece equal in value to 10 dollars.
2. The unit, or dollar itſelf, of ſilver.
3. The tenth of a dollar, of ſilver alſo.
4. The hundredth of a dollar, of copper.

Compare the arithmetical operations on the ſame ſum of money expreſſed in this form, and expreſſed in the pound ſterling, and its diviſions.

Addition.

£.	s.	d.	qrs.	Dollars.
8	13	11	3	38.65
4	12	8	2	20.61
£13	6	8	1	59.26

Subſtraction.

£.	s.	d.	qrs.	Dollars.
8	13	11	3	38.65
4	12	8	2	20.61
£4	1	2	1	18.04

Multiplication by 8.

£.	s.	d.	qrs.	Dollars.
8	13	11	3	38.65
20				8
173				309.2 D.
12				
2087				
4				
8350				
8				

66.800
16.700
1.39(1.8
£69 11 8

Diviſion by 8.

£.	s.	d.	qrs.	Dollars.
8	13	11	3	8)38.65
20				4.83
173				
12				
2087				
4				
8)8350				1043
35			2	2601
30				2)1 8
8				£1)1 8

A ban

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A bare inſpection of theſe operations will evince the labour which is occaſioned by ſubdividing the unit into 20ths, 240ths, and 960ths, as the Engliſh do, and as we have done; and the eaſe of ſub-diviſions in a decimal ratio. The ſame difference ariſes in making payment. An Engliſhman to pay L.8 13 11½ muſt find by calculation what combinations of the coins of his country will pay this ſum; but an American, having the ſame ſum to pay, thus expreſſed, 38.65 D. will know by inſpection only that 3 golden pieces, 8 units or dollars, 6 tenths and 5 coppers, pay it preciſely.

3. The third condition required is that the unit, its multiples and ſub-diviſions, coincide in value with ſome of the known coins ſo nearly, that the people may by a quick reference in the mind eſtimate their value; which being not attended to, they will be very long in adopting the innovation, if ever they adopt it. Let us examine in this point of view, each of the four coins propoſed.

1. The golden piece will be ¼ more than a half joe, and ⅓ more than a double guinea. It will be readily eſtimated that by reference to either of them, but more readily and accurately as equal to 10 dollars.

2. The unit, or dollar, is a known coin, and the moſt familiar of all to the minds of the people. It is already adopted from ſouth to north; has identified our currency, and therefore happily offers itſelf as an unit already introduced. Our public debt, our requiſitions and their apportionments, have given it actual and long poſſeſſion of the place of unit. The courſe of our commerce too will bring us more of this than of any other foreign coin, and therefore renders it more worthy of attention. I know of no unit which can be propoſed in competition with the dollar but the pound; but what is the pound? 1547 grains of fine ſilver in Georgia, 1289 grains in Virginia, Connecticut, Rhode-Iſland, Maſſachuſetts and New-Hampſhire; 1038⅔ grains in Maryland, Delaware, Penſylvania and New-Jerſey; 966⅔ grains in North-Carolina and New-York. Which of theſe ſhall we adopt? To which ſtate give that pre-eminence of which all are ſo jealous? And on which impoſe the difficulties of a new eſtimate for their corn, their cattle and other commodities? Or ſhall we hang the pound ſterling as a common badge about all their necks? This contains 1718½ grains of pure ſilver. It is difficult to familiarize a new coin to the people. It is more difficult to familiarize them to a new coin with an old name. Happily the dollar is familiar to them all; and is already as much reſtored to her ancient meaſure of value as their reſpective provincial pounds.

3. The tenth will be preciſely the Spaniſh bit, or half piſtereen in ſome of the ſtates, and in the others will differ from it but by a very ſmall fraction. This is a coin perfectly familiar to us all. When we ſhall make a new coin equal in value to this, it will be already eſtimate with the people.

4. The hundredth, or copper, will be very nearly the penny or copper of New-York and North-Carolina, this being 1/96 of a dollar, and will not be very different from the penny or copper of New-Jerſey, Penſylvania, Delaware and Maryland, which is 1/90 of a dollar; it will be about the medium between the old and the new coppers of theſe ſtates, and therefore will ſoon be ſubſtituted for them both. In Virginia coppers have never been in uſe. It will be as eaſy therefore to introduce them there of one value as of another. The copper coin propoſed will be nearly equal to three fourths of their penny, which is the ſame with the penny lawful of the eaſtern ſtates.

A great deal of ſmall change is uſeful in a ſtate, and tends to reduce the prices of ſmall articles. Perhaps it would not be amiſs to coin two more pieces of ſilver, one of the value of two tenths, which would be equal to the Spaniſh piſtereen, and one of the value of five coppers, which would be equal to the Spaniſh half bit. We ſhould then have four ſilver coins, viz.

1. The unit, or dollar.
2. The double tenth, equal to 2 or 1-5th of a dollar, or to the piſtereen.
3. The tenth, equal to a Spaniſh bit.
4. The five copper piece, equal to .05, or 1-20th of a dollar, or to the half bit.

The plan reported by the financier is worthy of his ſound judgment. It admits however of objection in the ſize of the unit. He propoſes that this ſhall be the 1440th part of a dollar, ſo that it will require 1440 of his units to make the one propoſed. He was led to adopt this by a mathematical attention to our old currencies, all of which this unit will meaſure, without leaving a fraction; but as our object is to get rid of thoſe currencies, the advantage derived from this coincidence will ſoon be paſt, whereas the inconveniences of this unit will forever remain, if they do not altogether prevent its introduction. It is defective in two of the three requiſites of a money-unit.

1. It is inconvenient in its application to the ordinary money-tranſactions; 10,000 dollars will require 8 figures to expreſs them, viz. 14.400. 000. A horſe or bullock of 80 dollars value will require a notation of 6 figures, viz. 115.200 units. As a money of account this will be laborious, even when facilitated by the aid of decimal arithmetic; as a common meaſure of the value of property, it will be too minute to be comprehended by the

[11]

this people. The French are subjected to very laborious calculations, the livre being their ordinary money of account, and this but between a 5th and 6th of a dollar; but what will be our labour, should our money of account be 1-1440th of a dollar?

2. It is neither equal nor near to any of the known coins in value.

If we determine that a dollar shall be our unit, we must then say with precision what a dollar is. This coin as struck at different times, of different weights and fineneſs, is of different values. Sir Iſaac Newton's aſſay and repreſentation to the lords of the treaſury, in 1717, of thoſe which he examined, made their value as follows, viz.

	dwt. grs.	grains.
The Seville piece of eight	17 12 containing	387 of pure ſilver.
The Mexico - - ditto - -	17 10 5-9ths	385½
The P[illegible] - - ditto - -	19 9	385½
The new Seville ditto - -	14	308 7/9

The financier ſtates the old dollars as containing 378 grains of fine ſilver, and the new 365 grains. If the dollars circulating among us be of every date equal, we ſhould examine the quantity of pure metal in each, and from them form an average for our unit. This is a work proper to be committed to the mathematicians as well as merchants, and which ſhould be decided on actual and accurate experiments.

The quantum of alloy is alſo to be decided. Some is neceſſary to prevent the coin from wearing too faſt. Too much fills our pockets with copper inſtead of ſilver. The ſilver coins, aſſayed by Sir Iſaac Newton, varied from 1½ to 76 pennyweight alloy, in the pound troy, of mixed metal. The Britiſh ſtandard has 18 dwt. The Spaniſh coins, aſſayed by Sir Iſaac Newton, have from 18 to 19½ dwt. The new French crown has in fact 19½, though by edict it ſhould have 20dwt. that is 1-12th.

The taſte of our countrymen will require that their furniture plate ſhould be as good as the Britiſh ſtandard. Taſte cannot be controuled by law. Let it then give the law, in a point which is indifferent to a certain degree. Let the legiſlatures fix the alloy of furniture plate at 18dwt. the Britiſh ſtandard; and Congreſs that of their coin at one ounce in the pound, the French ſtandard. This proportion has been found convenient for the alloy of gold coin, and it will ſimplify the ſyſtem of our mint to alloy both metals in the ſame degree. The coin too being the leaſt pure, will be leaſt eaſily melted into plate. Theſe reaſons are light indeed, and of courſe will only weigh, if no heavier ones can be oppoſed to them.

The proportion between the value of gold and ſilver, is a mercantile problem altogether. It would be inaccurate to fix it by the popular exchanges of a half joe for 8 dollars, a Louis for 4 French crowns, or 5 Louis for 23 dollars. The firſt of theſe would be to adopt the Spaniſh proportion between gold and ſilver; the ſecond the French; the third a mere popular barter, wherein convenience is conſulted, more than accuracy. The legal proportion in Spain is 16 for one, in England 15 1-5th for 1, in France 15 for 1. The Spaniards and Engliſh are found in experience to retain an over proportion of gold coins, and to loſe their ſilver. The French have a greater proportion of ſilver. The difference at market has been on the decreaſe. The financier ſtates it at preſent as at 14½ for 1. Juſt principles will lead us to diſregard legal proportions altogether; to enquire into the market price of gold, in the ſeveral countries with which we ſhall principally be connected in commerce, and to take an average from them; perhaps we might with ſafety lean to a proportion ſomewhat above par for gold, conſidering our neighbourhood and commerce with the ſources of the coins, and the tendency which the high prices of gold in Spain has to draw thither all that of their mines, leaving ſilver principally for our and other markets; it is not impoſſible that 15 for 1 may be found an eligible proportion. I ſtate it however as conjectural only.

As to the alloy for gold coins, the Britiſh is an ounce in the pound; the French, Spaniſh and Portugueſe, differ from that only from a quarter of a grain to a grain and an half. I ſhould therefore prefer the Britiſh, merely becauſe its fraction ſtands in a more ſimple form, and facilitates the calculations into which it enters.

Should the unit be fixed at 365 grains of pure ſilver, gold at 15 for one, and the alloy of both be 1-12th, the weights of the coins will be as follow.

The golden piece, containing 243⅓ grains of pure metal, 22.22 grains alloy, will weigh 11 dwt. 1.45 grains.

	grs.	grs.	dwt. grs.
The unit or dollar,	365	3[illegible]	16.14.18
The [illegible] pistareen,	73	[illegible]	3.17.63
[illegible]	[illegible]	[illegible]	1.05.828
[illegible]	[illegible]	[illegible]	35.24

The

[12]

The quantity of fine ſilver which ſhall conſtitute the unit being ſettled, and the proportion of the value of gold to that of ſilver, a table ſhould be formed from the aſſay before ſuggeſted, claſſing the ſeveral foreign coins according to their fineneſs, declaring the worth of a pennyweight or grain in each claſs, and that they ſhould be lawful tenders at thoſe rates, if not clipped or otherwiſe diminiſhed; and where diminiſhed, offering their value for them at the mint, deducting the expence of recoinage. Here the legiſlatures ſhould co-operate with Congreſs in providing that no money ſhould be received or paid at their treaſuries, or by any of their officers, or any bank, but on actual weight; in making it criminal in a high degree to diminiſh their own coins, and in ſome ſmaller degree to offer them in payment when diminiſhed.

That this ſubject may be properly prepared, and in readineſs for Congreſs to take up at their meeting in November, ſomething muſt now be done. The preſent ſeſſion drawing to a cloſe, they probably would not chooſe to enter far into this undertaking. The Committee of the States however, during the receſs, will have time to digeſt it thoroughly, if Congreſs will fix ſome general principles for their government. Suppoſe then they be inſtructed.

To appoint proper perſons to aſſay and examine, with the utmoſt accuracy practicable, the Spaniſh milled dollars of different dates in circulation with us.

To aſſay and examine in like manner the fineneſs of all the other coins which may be found in circulation within theſe ſtates.

To report to the committee the reſult of theſe aſſays, by them to be laid before Congreſs.

To appoint alſo proper perſons to enquire what are the proportions between the values of fine gold and fine ſilver, at the markets of the ſeveral countries with which we are or probably may be connected in commerce; and what would be a proper proportion here, having regard to the average of their values at thoſe markets, and to other circumſtances, and report the ſame to the committee, by them to be laid before Congreſs.

To prepare an ordinance for eſtabliſhing the unit of money within theſe ſtates; for ſubdividing it; and for ſtriking coins of gold, ſilver and copper, on the following principles.

That the money-unit of theſe ſtates ſhall be equal in value to a Spaniſh milled dollar, containing ſo much fine ſilver as the aſſay before directed ſhall ſhew to be contained on an average in dollars of the ſeveral dates in circulation with us.

That there ſhall be a coin of ſilver, of the value of an unit.—One other, of the value of one 10th of an unit.—One other of copper, of the value of the 100th of an unit.

That there ſhall be a coin of gold, of the value of ten units, according to the report before directed, and the judgment of the committee thereon.

That the alloy of the ſaid coins of gold and ſilver, ſhall be equal in weight to 1-11th part of the fine metal.

That there be proper devices for theſe coins.

That meaſures be propoſed for preventing their diminution, and alſo their counterfeiting, and that of any others, when diſcovered.

That the ſeveral foreign coins be deſcribed and claſſed in the ſaid ordinance; the fineneſs of each claſs aſſayed, and its value by weight eſtimated in units and decimals parts of units. And that ſaid draft of an ordinance be reported to Congreſs at their next meeting, for their conſideration and determination.

These Propositions, particularly the first section by Hugh Williamson, are of utmost importance for the concept of a dollar is documented and carried one step further. It is now clearly seen that by the word "dollar" is not meant just a Spanish coin designated as a dollar of continental money, but that by a dollar is meant a piece of silver, or coin of silver containing a specific weight of pure silver as the unit of account.

Some specific comment and further observation on Mr. Williamson's portion of the report — the first two pages — is worthwhile. In the first section (paragraph 2), silver is given support for use as the chief money. Under the second point (paragraph 4) consideration is given to the weight or size of the several pieces of money to be made, showing that a definite weight is to be considered for various pieces of money, and that therefore money has a certain measurable weight to it.

In the first paragraph of the second page, under the subject of the coinage of copper, we find an astute recognition of the fraud of base coin and how it may finally, among other things, be very destructive to commerce. It is a testimony to the irresponsibility and shallow thinking of most of our currently elected senators and representatives that they do not recognize the fraud and deceit of out current base coin and irredeemable paper. The destruction to commerce forecasted in this paragraph of 200 years ago we are witnessing today. **And the Senators, Representatives, Executive, and Courts use no means to prevent the fraud!**

The printed table of money forms — in dollars, on page two following the discussion on copper, proves conclusively and beyond all doubt what a dollar is. It is submitted here as a unit of account containing 362 grains of pure silver, the relation obtaining from the then familiar Spanish and Mexican dollars. Later we shall see that the amount of pure silver adopted for the dollar was 371¼ grains, based upon assay as suggested on page 11, paragraph 2 of Mr. Jefferson's plan.

Pages 3 through 6 of the printed Propositions, as mentioned earlier, are by Robert Morris the finance officer, who was instructed by a congressional resolution of January 7, 1782, to prepare this report, which he delivered on January 15, of that year.

In the last paragraph of page 3 (paragraph 4) he informs us, correctly, of the abuse of the value of the coin by the sovereign and the historical lack of integrity of sovereigns in this matter. Unfortunately, the nation Mr. Morris helped found has likewise dishonored its trust, and turned thief. The paragraph continues over to the next page, page 4, where he, like Mr. Williamson on page 2, calls attention to the fraud at Birmingham. The second paragraph on this fourth page is an interesting commentary on the problems of bimettalism.

In paragraph 4 on page 5, he gives the solution for currency devaluation, depreciation, "dirty floats," and the like, by pointing out that money should have a value as money in order that it may be a fixed standard or rule to measure the value of all else. In paragraph 2 on page 6, the first mention is made of an assay of the dollar; it is noted to contain about 373 grains of fine silver. This assay without doubt refers to the Spanish dollar then current in the states.

Paragraph 7 of page 7 of the Propositions is interesting with its reference to "clipt" gold and the resulting depreciation of American money. The modern, current clipping is much more refined and subtle through the use of irredeemable paper printed in unlimited quantities. In fact, it is a very sophisticated government bunco operation.

Pages 9 through 12 of the Propositions are Thomas Jefferson's proposals for a mint and coinage. This was the plan which had been printed in the *Providence Gazette and Country Journal* of Saturday, July 24, 1784, with a view toward obtaining some sentiment on the subject for the next Congress. (See pages 21-22.)

Mr. Jefferson's statement on Proposition page 11, under the second point that, "If we determine that a dollar shall be our unit, we must then say with precision what a dollar is.", is of extreme importance, for it means that the word "dollar" must be precisely defined. If it is not, then the word could be applied to most anything, and something of value which by common usage had been known as a dollar, could be substituted or replaced by something of less value or no value with the same name "dollar" attached. This would obviously be a fraud, which is properly avoided by precise definition. To define the dollar means to define the unit of our money , i.e. of what our money unit is composed.

In the table at the bottom of page 11, Mr. Jefferson tentatively defines and fixes our unit at 365 grains of pure silver. He is thus saying that our dollar is a silver coin containing 365 grains of pure silver.

Following this report of the Grand Committee on May 13, 1785, concerning the Propositions discussed above, the next significant episode in the development of the American monetary system occurred on July 6, 1785. This is a little known, but significant date in American history, for on this day the dollar was adopted — unanimously — as the monetary unit of the United States.

The Congress assembled on this date, and brought up for consideration the report of a grand committee on the subject of the type of money unit to adopt. On the question that the money unit be one dollar, the vote in favor was unanimous. The vote was thus unanimous that a piece of silver of a suggested 362 grains of pure silver was to be the monetary unit of the United States.

The record of this session, relating to this specific question, is reproduced below as taken from the Journals of Congress, Volume XXIX, pages 499 and 500. The handwritten record for this session showing the actual vote, is reproduced on pages 110 and 111 of Appendix A.

WEDNESDAY, JULY 6, 1785.

Congress assembled. Present as yesterday.

Congress took into consideration the report of a grand committee, consisting of Mr. [David] Howell, Mr. [Abiel] Foster, Mr. [Rufus] King, Mr. [Joseph Platt] Cook, Mr. [Melancton] Smith, Mr. [John] Beatty, Mr. [Charles] Gardner, Mr. [John] Vining, Mr. [William] Hindman, Mr. [James] Monroe, Mr. [Hugh] Williamson, Mr. [Charles] Pinckney and Mr. [William] Houstoun, on the subject of a money unit.

And on the question, That the money unit of the United States of America be one dollar, the yeas and nays being required by Mr. [David] Howell; Every member answering *ay*, it was

Resolved, That the money unit of the United States of America be one dollar.

Resolved, That the smallest coin be of copper, of which 200 shall pass for one dollar.

Resolved, That the several pieces shall increase in a decimal ratio.[1]

[1] See *ante*, May 13.

In view of this and other documents, the proof thus becomes too overwhelming for anyone to deny or ignore that a dollar is a coin of precious metal.

On August 8, 1786, some 13 months later, Congress fixed by resolve, acting on a report of the Board of Treasury,[1] the standard for gold and silver, the amount of fine silver to be in a dollar (375 $^{64}/_{100}$ grains), the

1 This report, dated April 8, 1786, is found in Appendix A at pp. 24-44. In it the Treasury Board correctly points out that while Congress on July 6, 1785, specified the money unit of the Union to be one dollar, it failed to say exactly how many grains of fine silver were to be in the dollar. Consequently, the Board submitted several principles for consideration in this report, with the result that on August 8, 1786, Congress passed an act setting the standard for gold and silver, the amount of fine silver to be in a dollar, etc., as may be seen in the above text. The report is found in the Journals of Congress, Volume XXX, pp. 162-182.

decimal ratio of the coins below a dollar, the number and value of the gold coins, and the mint price of silver and gold. These facts are reproduced below from the Journals of Congress of that date, Volume XXXI, pages 503 and 504.

On a report of the Board of treasury,

Resolved, That the standard of the United States of America, for Gold and Silver, shall be eleven parts fine and one part alloy.

That the money Unit of the United States, being by the resolve of Congress of the 6th July, 1785, a dollar shall contain of fine silver, three hundred and seventy-five grains and sixty-four hundredths of a grain.

That the Money of Account, to correspond with the division of coins, agreeably to the above resolve, proceed in a decimal ratio, agreeably to the forms and manner following, viz.

Mills: The lowest money of accompt, of which one thousand shall be equal to the federal dollar, or money unit..... 0. 001

Cents: The highest copper piece, of which one hundred shall be equal to the dollar..... 0. 010

Dimes: The lowest silver coin, ten of which shall be equal to the dollar..... 0. 100

Dollar: The highest silver coin..... 1. 000

That betwixt the dollar and the lowest copper coin, as fixed by the resolve of Congress of the 6 July, 1785, there shall be three silver coins, and one copper coin.

That the silver coins shall be as follows: One coin containing one hundred and eighty-seven grains and eighty-two hundredths of a grain of fine silver, to be called *A half dollar:* One coin containing seventy-five grains and one hundred and twenty-eight thousandths of a grain of fine silver, to be called *A double dime:* And one coin containing thirty-seven grains and five hundred and sixty thousandths of a grain of fine silver, to be called *A Dime.*

That the two copper coins shall be as follows: One equal to the one hundredth part of the federal dollar, to be called *a cent:* And one equal to the two-hundredth part of the federal dollar to be called *A half cent.*

That two pounds and a quarter avoirdupois weight of copper, shall constitute one hundred cents.

That there shall be two gold coins: One containing two hundred and forty-six grains and two hundred and sixty-eight thousandths of a grain of fine gold, equal to ten dollars, to be stamped with the impression of the American Eagle, and to be called *An Eagle:* One containing one hundred and twenty-three grains and one hundred and thirty-four thousandths of a grain of fine gold, equal to five dollars, to be stamped in like manner, and to be called *A half Eagle.*

That the mint price of a pound troy weight of uncoined silver, eleven parts fine and one part alloy, shall be nine dollars, nine dimes and two cents.

That the mint price of a pound troy weight of uncoined gold, eleven parts fine and one part alloy, shall be two hundred and nine dollars, seven dimes and seven cents.

With the adoption of the resolves of this day, a decade of monetary effort thus came to a close. More monetary problems were to arise in the following year at the Constitutional Convention in Philadelphia, as will be seen, but the foundation for the monetary system had been laid. It was a decade of monetary achievement, which is summarized in the chronological table shown on the next page.

Table 1

CHRONOLOGY OF THE ADOPTION OF THE DOLLAR

April 19, 1776	—	Appointment of a committee by the Continental Congress to determine the value of the different kinds of gold and silver coins current in the colonies, and the value of each in relation to the Spanish milled dollar.
May 22, 1776	—	Report of the above appointed committee submitted.
July 24, 1776	—	Report of May 22, 1776, recomitted.
September 2, 1776	—	Report of the revised committee on the value of gold and siver coins submitted.
January 7, 1782	—	Resolve of the United States Congress instructing the Superintendent of Finance to prepare and report a table of rates at which the different species of foreign coins most likely to circulate in the United States shall be received at the treasury.
January 15, 1782	—	Letter from Robert Morris, Superintendent of the Office of Finance, reporting on the money situation.
July 24, 1784	—	Publication of Mr. Jefferson's plan on coinage and a money mint in *The Providence Gazette and Country Journal.*
October 23, 1784	—	Instructions concerning the value of gold and silver coin given to the congressional delegates from Massachusetts by their legislature.
December 3, 1784	—	Instructions given to the Massachusetts delegates concerning the value of gold and silver coin referred to the Grand Committee.
January 17, 1785	—	Massachusetts delegates' instructions again referred to the Grand Committee, along with the letter of January 15, 1782, from Mr. Robert Morris, Superintendent of Finance.
May 13, 1785	—	Report of the "Propositions respecting the Coinage of Gold, Silver, and Copper" read.
July 6, 1785	—	Dollar unanimously adopted as the monetary unit of the United States.
April 8, 1786	—	Board of Treasury report concerning principles relative to the weight and alloy of gold and silver coins.
August 3, 1786	—	Congress fixed the standard for gold and silver, the amount of fine silver to be in a dollar, the decimal ratio of the coins below a dollar, the number and value of the gold coins, and the mint price of silver and gold.

Chapter III

THE CONSTITUTIONAL CONVENTION

Paper Money Considered — and Rejected[1]

The Articles of Confederation, adopted March 1, 1781, provided for a "perpetual Union" of the original 13 colonies. However, with the passage of time under this arrangement of government, several defects manifested themselves which led to a general inefficiency and ineffectiveness of the Confederation. Some of the defects which became apparent were the insufficiency of requisitions to meet the needs of the central government, commercial discord among the states, rebellion, urgent foreign debts, violations of treaties and the havoc wrought by paper money. Consequently, a call for a convention of the states was originated by the State of Virginia in an effort to effect a cure for the evils which had become apparent.

The official authorization was a resolution of the Congress of the Confederation dated February 21, 1787, for a convention of delegates appointed by the several states to be held at Philadelphia the second Monday of May, 1787 (May 14). A copy of the resolution from *The Records of the Federal Convention*[2] by Farrand, follows:

I. Resolution of Congress.[1]

1787, February 21.

Whereas there is provision in the Articles of Confederation & perpetual Union for making alterations therein by the Assent of a Congress of the United States and of the legislatures of the several

1 The material in this chapter is taken almost exclusively from *The Records of the Federal Convention of 1787*, edited by Max Farrand. In these records are the Journal of James Madison, which is considered the standard authority on the proceedings of the Convention.

2 Max Farrand, ed., *Records of the Federal Convention of 1787*, 1937 rev. ed., vol. 3, p. 13.

States; And whereas experience hath evinced that there are defects in the present Confederation, as a mean to remedy which several of the States and particularly the State of New York by express instructions to their delegates in Congress have suggested a convention for the purposes expressed in the following resolution and such Convention appearing to be the most probable mean of establishing in these states a firm national government

Resolved that in the opinion of Congress it is expedient that on the second Monday in May next a Convention of delegates who shall have been appointed by the several states be held at Philadelphia for the sole and express purpose of revising the Articles of Confederation and reporting to Congress and the several legislatures such alterations and provisions therein as shall when agreed to in Congress and confirmed by the states render the federal constitution adequate to the exigencies of Government & the preservation of the Union

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[1] *Documentary History of the Constitution*, IV, 78.

The Convention organized on May 25, and remained in continuous session until September 17, with the exception of the July 4th holiday, and a period from July 26, to August 6, during which time it recessed to allow the Committee of Detail to prepare its report. The main business of the Convention was opened Tuesday, May 29, with a long speech by Edmund Randolph, Governor of Virginia. He delivered this speech out of a sense of responsibility which the Virginia delegates felt to the convention, since it was their state which had originated the call. Virginia, however, had refrained from any express instructions to its delegates in Congress, preferring to use the facilities of its own legislature, which explains why it was not expressly named in the resolution of Congress of February 21, 1787, as was New York.

Mr. Randolph mentioned several defects of the Confederation, among which was the unforseen havoc of paper money.[1] He proposed several resolutions in his speech to lay the groundwork for measures which would effect a cure for the ills of the confederation; included was a proposal that "Congress ought to possess a power to prevent emissions of bills of credit."[2]

1 Farrand, op. cit., 1937 rev., ed., vol. 1, p. 18.
2 Farrand, op. cit., 1937 rev., ed., vol. 1, p. 26.

The mentioning of this subject in the first days of the convention is a good indication of the seriousness of the problem created by bills of credit, or paper money.

There was, however, never any question in the minds of the men at the convention as to what the monetary unit of the United States would be, for that had been settled in 1785. Nor did they have any doubt of what a dollar consisted, for that was familiar to them in the Spanish milled dollar, and in the metallic weight of the United States dollar which had been determined in 1786. The important question which arose was whether or not paper money should be allowed. As noted, the first proposal on this was made in the negative by Governor Randolph in his opening address of Tuesday, May 29, wherein he thought "Congress ought to possess a power to prevent emissions of bills of credit."

The problems of paper money were raised at various intervals throughout the convention by several members, expecially during June and July. Comments were made by Messrs. Mason, Pinckney, Madison, Gerry, Hamilton, and Gouverneur Morris.

The comments of some of these gentlemen, as recorded in Madison's Journal, are worth particular note:

Mr. Elbridge Gerry, Friday, June 8, 1787:
. . . had no objections to authorize a negative to paper money and similar measures.

Mr. Alexander Hamilton, Monday, June 18, 1787:
To the want of this check of oppression (of the few against the many, and the many against the few) we owe our paper money . . .

Mr. James Madison, Tuesday, June 19, 1787:
. . . considered the emissions of paper money (and other kindred measures) as also aggressions. The rights of individuals are infringed by many of the state laws — such as issuing paper money, and

instituting a mode to discharge debts differing from the form of the contract.

Mr. Gouv. Morris, Thursday, July 19, 1787:
. . . on the propensity of the 1st branch (House) to legislate too much to run into projects of paper money and similar expedients.

Col. Mason, Thursday, August 16, 1787:
Though he had a mortal hatred of paper money . . .

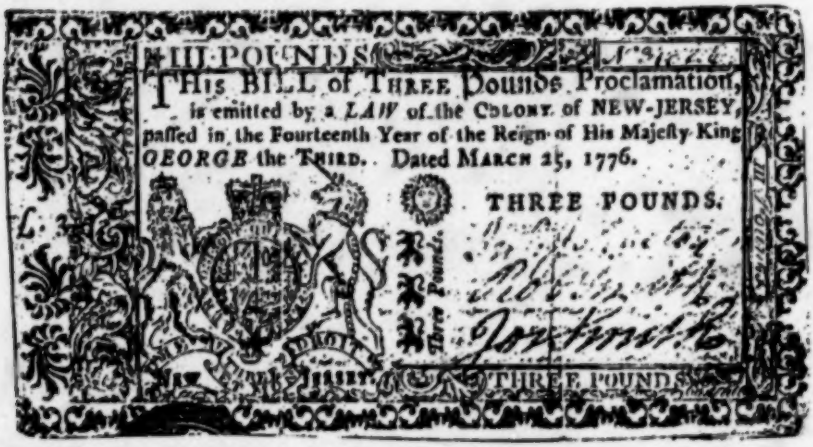
Further comment and action on the subject was made under the consideration of "Bills of Credit," which was synonymous with paper money in the language of the times, insofar as a bill of credit would be made a legal tender. This is in contrast to a bill of credit not made a legal tender and thus which does not become paper money.

To discuss for a moment bills of credit, and paper money as an aggression, as correctly perceived by Mr. Madison, a bill of credit in its most basic sense is an I.O.U. It is, like a bond, an evidence of debt. It is a note of credit given by the borrower to the lender. It means a piece of paper on which is written what it may be exchanged for by the holder. If the holder passes the bill or note to another person to satisfy a debt to him, then this gives the bill some circulation, but it does not become a money although it functions as such in this instance since it satisfies a debt between twon parties by mutual agreement. The new holder of the bill, though, still looks to the original borrower for satisfaction. If the original borrower issues several bills on his credit, then the question would arise as to whether or not he could honor all his bills. If it were suspected he could not, then each bill would tend to be worth less than what it said it was good for. If, by law, these bills or notes were made a tender for payment of debt, that is legal tender, and required to be used for payments, then they would be forced to be used as a money, but in no sense would they be a money. Therefore, a bill of credit, particularly if made a legal tender, is familiarly known as paper money .

The bill, being written or printed on paper, has no value by itself, but takes any value it may have from the credit-worthiness of the party or government which issued it; the value being based upon the expectation of eventual redemption for what is written on the bill.

If I.O.U.'s are issued by a government or state, and the same entity declares them to be a tender under the law, i.e. a legal tender, then legally but dishonestly because of the power of the government, this evidence of debt issued by the authority of the government will be forced to circulate as a money, though without the attributes and quality of a money. At most these I.O.U.'s become a forced medium of exchange, and because they lack the honesty possessed by real money, i.e. specie of high purity and intrinsic value, general political disorder and social havoc will ensue.

The notes currently in circulation are examples of bills of credit, with the distinction that they are issued by the private Reserve Bank under a monopoly granted by Congress. Reproduced below is an example of an earlier bill of credit, this one having been issued by the Colony of New Jersey.


THREE POUNDS
THIS BILL of THREE Pounds Proclamation,
is emitted by a LAW of the COLONY of NEW-JERSEY,
passed in the Fourteenth Year of the Reign of His Majesty King
GEORGE the THIRD. Dated MARCH 25, 1776.
THREE POUNDS.
THREE POUNDS

Paper money, which by its nature is inherently fraudulent, was correctly seen as an aggression by Mr.

Madison. It is an aggression by virtue of its lack of intrinsic value and the fact that it may be produced — like a counterfeit — in unlimited quantities. Because it contains no inherent value within itself, the aggression occurs through a decline in purchasing power (exchange value) with the passage of time as more paper is introduced into circulation. This decline in value means that a person cannot purchase as much with his paper money after a period of time, as he could have purchased at the time of initially receiving the "money". This loss of purchasing power is no different than the sudden loss of one's purchasing power when a thief commits the more obvious aggression of stealing a person's money. The end result is the same: a loss of purchasing power.

In the plan of government submitted by Charles Pinckney, mention was made by him of the deleterious consequences of allowing states to emit bills of credit. Mr. Roger Sherman in his proposals likewise thought the states ought not to "possess a right to emit bills of credit for a currency,". Mr. Randolph in opening the business of the Convention had proposed that Congress possess a power to prevent emissions of bills of credit.

On August 6, 1787, the convention re-assembled following its adjournment on Thursday, July 26, to allow the Committee of Detail to prepare and report the Constitution. This committee was composed of Messrs. Rutledge, Randolph, Gorham, Elsworth, and Wilson. On that Monday, August 6, Mr. Rutledge delivered the report of the Committee of Detail, with a printed copy of the proposed constitution being furnished to each member at the same time. This proposed constitution, as furnished on August 6, is reproduced in Appendix B pages 45-58, as taken from the *Records of the Federal Convention* of that date[1] Since the discussion of this chapter deals with bills of credit, only those portions of the proposed constitution which were involved — Article VII, Section 1; Article XII and Article XIII — are reproduced on the following three pages.

1 Farrand, op. cit., 1937 rev. ed., vol. 2, pp. 176-189.

Sect. 12. Each House shall possess the right of originating bills, except in the cases beforementioned.

Sect. 13. Every bill, which shall have passed the House of Representatives and the Senate, shall, before it become a law, be presented to the President of the United States for his revision: if, upon such revision, he approve of it, he shall signify his approbation by signing it: But if, upon such revision, it shall appear to him improper for being passed into a law, he shall return it, together with his objections against it, to that House in which it shall have originated, who shall enter the objections at large on their journal and proceed to reconsider the bill. But if after such reconsideration, two thirds of that House shall, notwithstanding the objections of the President, agree to pass it, it shall together with his objections, be sent to the other House, by which it shall likewise be reconsidered, and [,] if approved by two thirds of the other House also, it shall become a law. But in all such cases, the votes of both Houses shall be determined by yeas and nays; and the names of the persons voting for or against the bill shall be entered on the journal of each House respectively. If any bill shall not be returned by the President within seven days after it shall have been presented to him, it shall be a law, unless the legislature by their adjournment, prevent its return; in which case it shall not be a law.

VII [VI][1]

Article VII, Section 1

Sect. 1. The Legislature of the United States shall have the power to lay and collect taxes, duties, imposts and excises;

To regulate commerce with foreign nations, and among the several States;

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ment, but the Washington and Brearley copies of the report of the Committee of Detail show a change in wording in accordance with Madison's text. A probable explanation of this is that the Committee of Detail made this modification after the Report was in print.

[1] In the printed copy, the number VI was repeated, consequently Article VII and all subsequent articles were misnumbered. It is important to remember this in noting subsequent references to articles by number.

To establish an uniform rule of naturalization throughout the United States;

To coin money;

To regulate the value of foreign coin;

To fix the standard of weights and measures;

To establish Post-offices;

To borrow money, and emit bills on the credit of the United States;

To appoint a Treasurer by ballot;

To constitute tribunals inferior to the Supreme Court;

To make rules concerning captures on land and water;

To declare the law and punishment of piracies and felonies committed on the high seas, and the punishment of counterfeiting the coin of the United States, and of offences against the law of nations;

To subdue a rebellion in any State, on the application of its legislature;

To make war;

To raise armies;

To build and equip fleets;

To call forth the aid of the militia, in order to execute the laws of the Union, enforce treaties, suppress insurrections, and repel invasions;

And to make all laws that shall be necessary and proper for carrying into execution the foregoing powers, and all other powers vested, by this Constitution, in the government of the United States, or in any department or officer thereof;

Sect. 2. Treason against the United States shall consist only in levying war against the United States, or any of them; and in adhering to the enemies of the United States, or any of them. The Legislature of the United States shall have power to declare the punishment of treason. No person shall be convicted of treason, unless on the testimony of two witnesses. No attainder of treason shall work corruption of blood, nor forfeiture, except during the life of the person attainted.

Sect. 3. The proportions of direct taxation shall be regulated by the whole number of white and other free citizens

under the limitations which it shall think proper, to such Inferior Courts, as it shall constitute from time to time.

Sect. 4. The trial of all criminal offences (except in cases of impeachments) shall be in the State where they shall be committed; and shall be by Jury.

Sect. 5. Judgment, in cases of Impeachment, shall not extend further than to removal from Office, and disqualification to hold and enjoy any office of honour, trust or profit, under the United States. But the party convicted shall, nevertheless be liable and subject to indictment, trial, judgment and punishment according to law.

Article XII.

XII [XI]

No State shall coin money; nor grant letters of marque and reprisals; nor enter into any treaty, alliance, or confederation; nor grant any title of Nobility.

Article XIII.

XIII [XII]

No State, without the consent of the Legislature of the United States, shall emit bills of credit, or make any thing but specie a tender in payment of debts; nor lay imposts or duties on imports; nor keep troops or ships of war in time of peace; nor enter into any agreement or compact with another State, or with any foreign power; nor engage in any war, unless it shall be actually invaded by enemies, or the danger of invasion be so imminent, as not to admit of delay, until the Legislature of the United States can be consulted.

XIV [XIII]

The Citizens of each State shall be entitled to all privileges and immunities of citizens in the several States.

XV [XIV]

Any person charged with treason, felony or high misdemeanor in any State, who shall flee from justice, and shall be found in any other State, shall, on demand of the Execu-

Clearly, it can be seen that the original constitutional proposal was for bills to be issued by the Congress on the credit of the United States. Similarly, the states could also issue bills of credit with congressional approval.

On Tuesday, August 7, 1787, the convention took up consideration of the constitutional report of the Committee of Detail. Additions, deletions, and substitutions were made in the report as each Article, phrase, or sentence was considered in the order presented in the report. On Thursday, August 16, Article VII, Section 1 was taken up. When the eighth clause of Section 1 was reached: "To borrow money, and emit bills on the credit of the United States," Mr. Gouverneur Morris moved to strike out "and emit bills on the credit of the United States." Mr. Butler seconded the motion. In the discussion which followed, the general tenor was for the prohibition of paper emissions, for shutting the door on paper money, and to withhold from the new government any power for issuing paper money. On the motion to strike out the provision for emitting bills of credit, the vote was 9 to 2 in favor of doing so. Mr. Madison explained the situation, pointing out that the striking out of this power would not mean that public notes could not be used, but would mean that there was no power for a paper currency or for making bills of credit a legal tender for debts, public or private. The eighth clause of Article VII, Section 1, was thus voted by the convention to read: To borrow money on the credit of the United States. The power to emit bills was not given; the power to do so was removed as a power available to the federal government. The power to emit bills of credit is not present and never has been. It is a power which is not available to the government. It is a power not available to the Congress, the executive, or the judiciary.

On Tuesday, August 28, Article XII was taken up. Mr. Wilson and Mr. Sherman moved to insert in the article after the words "coin money" the words "nor emit bills of credit, nor make any thing but gold and silver coin a tender in payment of debts" making these prohibitions

absolute, instead of conditional upon the consent of Congress as provided in Article XIII.

According to Madison's Journal of August 28, "Mr. Sherman thought this a favorable crisis for crushing paper money. If the consent of the Legislature could authorize emissions of it, the friends of paper money would make every exertion to get into the Legislature in order to license it."

The question was divided and put to the vote. On the first part — "nor emit bills of credit," it was passed in the affirmative with 8 in favor, 1 against, and 1 divided. The remaining part of the motion, "nor make any thing but gold and silver coin a tender in payment of debts," passed unanimously 11 to 0.

Thus, we have a vivid historical picture of the proposal in the original constitution for both the federal and state governments to emit bills of credit, but that the power to do so was not granted to the former, and expressly denied to the latter. This is a definitive proof that the current bills of credit in use in the United States are illegitimate and outside the law of the land. Some have said that since there is no express prohibition on the Congress against paper money, such is therefore permissable. This ignores the prohibitions and restrictions of the Ninth Amendment, the fact that the national government is a government of express, delegated powers, that only certain legislative powers are granted, and that those which are granted are fixed in Congress. The money powers, such as were granted, were granted to Congress only, and not to the executive, the judiciary, or any public or private group which might be favored by Congress.

To repeat: One of the powers considered for the new government was the power to emit bills of credit. This power was debated, as has been shown, but was not given. There was thus no need to deny this power to the federal government in the form of a prohibition, for the federal government had not yet come into existence,

and there was no need to prohibit to it something it had not made mischief of by reason of the new government not having been in existence to do the mischief. It was sufficient simply to not grant the power to it. Why prohibit that for which there has been no power given?

With the States, rendering the prohibition absolute was more of a necessity, for the States had been guilty of violations of contract and inflation by the issuing of paper money, making it necessary to cure this political evil and dishonesty.

Enlightening explanatory remarks regarding the denial of bills of credit and paper money come to us from reports made by Messrs. McHenry, Luther Martin, and W.R. Davie.

Mr. James McHenry, delegate from Maryland, was called before the House of Representatives of that state on November 29, 1787, to explain the principles upon which the proposed Constitution for the United States of America were formed. In the discussion of Section 10, Article I, he pointed out that the provisions for Bills of Credit was overruled as it was felt that their prohibition would be the "best Security that could be given for the Public faith at home and the extension of Commerce with Foreigners."[1]

Mr. Luther Martin, attorney-general of the State of Maryland, and a delegate to the federal convention, likewise delivered to the Maryland legislature his information on the proceedings the same day as Mr. McHenry. He pointed out that since under the Articles of Confederation Congress had the power to borrow money and emit bills of credit on the credit of the United States, the Committee of Detail therefore followed the same system in their report. However, when this part of the report was considered, a motion was made to strike out the words "to emit bills of credit." Quoting Mr. Martin directly: "But, Sir, a majority of the convention, . .

1 Farrand, op. cit., vol. 3, p. 150.

. rather than admit the idea of a paper emission, in any possible event, refused to trust this authority to a government, to which they were lavishing the must (sic) unlimited powers of taxation, . . . and they erased that clause from the system."[1]

Continuing, he noted that by the tenth section every State is prohibited from emitting bills of credit, and that they (the delegates) had likewise not given an authority to the general government for such an emission either.

Mr. W.R. Davie in the North Carolina convention July 29, 1788, remarked that some form of limitation had to be applied to the great political evil of paper money, which had exhibited an obvious and undeniable baneful tendency. The complaint had been raised of the suffering of the people of Massachusetts and Connecticut from the dishonesty of Rhode Island and North Carolina, the paper money of which had been made a legal tender in all cases whatsoever. The delegates from the states which had adhered to the principles of justice said, "You have by your iniquitous laws and paper emissions shamefully defrauded our citizens. The Confederation prevented our compelling you to do them justice; but before we confederate with you again, you must not only agree to be honest, but put it out of your power to be otherwise."[2]

1 Farrand, op. cit. Vol. 3, p. 206.
2 Farrand, op. cit. Vol. 3, p. 350.

Chapter IV

THE DOLLAR: 1792-1933

The Convention having established that the dollar was to be strictly limited to gold and silver, and that no paper was to circulate as money or legal tender, it became necessary for the Congress organized under the Constitution to exercise the powers granted to it for the purpose of establishing domestic tranquility and securing the blessings of liberty.

In the monetary field, the Congress established a uniform system of coinage for the Union through the Coinage Act of 1792 (I Stat. 16, 1792), in which the dollar, or monetary unit, was set forth as a coin containing 371 4/16 grains of pure silver, and of the same value as the Spanish milled dollar then current. Section 9 of this coinage act, reproduced below, established what the first dollar of our country under the Constitution was to be.

SEC. 9. *And be it further enacted*, That there shall be from time to time struck and coined at the said mint, coins of gold, silver, and copper, of the following denominations, values and descriptions, viz. EAGLES—each to be of the value of ten dollars or units, and to contain two hundred and forty-seven grains and four eighths of a grain of pure, or two hundred and seventy grains of standard gold. HALF EAGLES—each to be of the value of five dollars, and to contain one hundred and twenty-three grains and six eighths of a grain of pure, or one hundred and thirty-five grains of standard gold. QUARTER EAGLES—each to be of the value of two dollars and a half dollar, and to contain sixty-one grains and seven eighths of a grain of pure, or sixty-seven grains and four eighths of a grain of standard gold. DOLLARS or UNITS—each to be of the value of a Spanish milled dollar as the same is now current, and to contain three hundred and seventy-one grains and four sixteenth parts of a grain of pure, or four hundred and sixteen grains of standard silver. HALF DOLLARS—each to be of half the value of the dollar or unit, and to contain one hundred and eighty-five grains and ten sixteenth parts of a grain of pure, or two hundred and eight grains of standard silver. QUARTER DOLLARS—each to be of one fourth the value of the dollar or unit, and to contain ninety-two grains and thirteen sixteenth parts of a grain of pure, or one hundred and four grains of standard silver. DIMES—each to be of the value of one tenth of a dollar or unit, and to contain thirty-seven grains and two sixteenth parts of a grain of pure, or forty-

Species of the coins to be struck.

Eagles.

Half Eagles.

Quarter Eagles.

Dollars or Units.

Half Dollars.

Quarter Dollars.

Dimes.

one grains and three fifth parts of a grain of standard silver. HALF DIMES—each to be of the value of one twentieth of a dollar, and to contain eighteen grains and nine sixteenth parts of a grain of pure, or twenty grains and four fifth parts of a grain of standard silver. CENTS—each to be of the value of the one hundredth part of a dollar, and to contain eleven penny-weights of copper. HALF CENTS—each to be of the value of half a cent, and to contain five penny-weights and half a penny-weight of copper.(*a*)

Half Dimes.

Cents.

Half Cents. Act of May 8, 1792.

Section 13 established the fineness of the dollar:

Standard for silver coins—alloy how to be regulated.

SEC. 13. *And be it further enacted*, That the standard for all silver coins of the United States, shall be one thousand four hundred and eighty-five parts fine to one hundred and seventy-nine parts alloy; and accordingly that one thousand four hundred and eighty-five parts in one thousand six hundred and sixty-four parts of the entire weight of each of the said coins shall consist of pure silver, and the remaining one hundred and seventy-nine parts of alloy; which alloy shall be wholly of copper.(*c*)

Alloy.

And Section 16 made them a legal tender by weight:

Coins made a lawful tender,

SEC. 16. *And be it further enacted*, That all the gold and silver coins which shall have been struck at, and issued from the said mint, shall be a lawful tender in all payments whatsoever, those of full weight according to the respective values herein before declared, and those of less than full weight at values proportional to their respective weights.

Thus, the dollar established by Congress in 1792, under the Constitution was a silver coin of specified weight and fineness, containing a precise weight of pure silver. This coin, with its constant weight of pure silver, continued as the United States dollar, and was legal tender for such, until 1849 — a span of 57 years.

In 1834 an act was passed which applied to the gold coins only. This act reduced their weight a small amount to bring them into accord with the accepted price ratio between gold and silver. This act had nothing to do with the dollar, which was a silver coin.

In 1837, the standard for the dollar was changed from 1485/1664 pure silver to 900/1000 pure silver. But, since the overall weight of the dollar coin was changed from 416 grains to 412½ grains, there was no change in the weight of pure silver in the coin. Sections 8 and 9 of this act (II Stat. 3, 1837) provided for this change, and Sec-

tion 11 continued this new coin on the same legal tender parity as the previous silver dollar, since the value of a coin is in the weight of its pure metal — not in the alloy.

Standard for gold and silver coins.
Alloys.

SEC. 8. *And be it further enacted*, That the standard for both gold and silver coins of the United States shall hereafter be such, that of one thousand parts by weight, nine hundred shall be of pure metal, and one hundred of alloy; and the alloy of the silver coins shall be of copper; and the alloy of the gold coins shall be of copper and silver, provided that the silver do not exceed one-half of the whole alloy.

Weight of silver coins.
1853, ch. 79.

SEC. 9. *And be it further enacted*, That of the silver coins, the dollar shall be of the weight of four hundred and twelve and one-half grains; the half dollar of the weight of two hundred and six and one-fourth grains; the quarter dollar of the weight of one hundred and three and one-eighth grains; the dime, or tenth part of a dollar, of the weight of forty-one and a quarter grains; and the half dime, or twentieth part of a dollar, of the weight of twenty grains, and five-eighths of a grain. And that dollars, half dollars, and quarter dollars, dimes, and half dimes, shall be legal tenders of payment, according to their nominal value, for any sums whatever.

Dollars, &c., shall be legal tenders, &c.

Silver coins heretofore issued, and gold coins issued since 31st July, 1834, shall continue to be legal tenders.

SEC. 11. *And be it further enacted*, That the silver coins heretofore issued at the mint of the United States, and the gold coins issued since the thirty-first day of July, one thousand eight hundred and thirty-four, shall continue to be legal tenders of payment for their nominal values, on the same terms as if they were of the coinage provided for by this act.

This calculation shows that the weight of pure silver in the dollar after 1837 was the same as before (371 4/16 grains), and that there was therefore no change in value:

412.5 x 0.9 = 371.25 = 371¼ = 371 4/16 (grains).

The dollar continued thus until 1849, when, because of the discovery of gold in California, a gold coin of value of one dollar, or unit, and legal tender for the same amount, was introduced. This was done by the act of March 3, 1849 (II Stat. 109, 1849), the pertinent sections of which are reproduced here:

March 3, 1849.

CHAP. CIX.—*An Act to authorize the Coinage of Gold Dollars and Double Eagles.*

Coinage of double eagles and gold dollars authorized.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there shall be, from time to time, struck and coined at the mint of the United States, and the branches thereof, conformably in all respects to law, (except

that on the reverse of the gold dollar the figure of the eagle shall be omitted,) and conformably in all respects to the standard for gold coins now established by law, coins of gold of the following denominations and values, viz.: double eagles, each to be of the value of twenty dollars, or units, and gold dollars, each to be of the value of one dollar, or unit.

Double eagle and gold dollar to be legal tenders.

SEC. 2. *And be it further enacted*, That, for all sums whatever, the double eagle shall be a legal tender for twenty dollars, and the gold dollar shall be a legal tender for one dollar.

With this act there then became two coins which were legal tender and which constituted a dollar — a silver coin of 371 4/16 grains pure silver, and a gold coin of 23.2[1] grains of pure gold.

This relationship continued until 1853, when the act of February 21 of that year (II Stat. 79, 1853) reduced the weight of the half dollar (and the lower silver coins in proportion) to 14¼ grains below its previous weight, such that the weight of two half dollars was now 28½ grains less than the silver dollar coin. Consequently, the silver dollar ceased to be current and was replaced by the gold dollar.

Section 1 of the Act shows the weight change, and Section 2 the legal tender amounts:

Feb. 21, 1853.

CHAP. LXXIX.—*An Act Amendatory of Existing Laws relative to the Half Dollar, Quarter Dollar, Dime, and Half Dime.* (a)

1853 ch. 96 § 7. Weight of the half dollar and quarter, dime and half dime, after June 1, 1853.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That from and after the first day of June, eighteen hundred and fifty-two, [three] the weight of the half dollar or piece of fifty cents shall be one hundred and ninety-two grains, and the quarter dollar, dime, and half dime, shall be, respectively, one half, one fifth, and one tenth of the weight of said half dollar.

Such coins when to be a legal tender.

SEC. 2. *And be it further enacted*, That the silver coins issued in conformity with the above section, shall be legal tenders in payment of debts for all sums not exceeding five dollars.

The gold dollar was officially made the unit of value of the monetary system of the country by act of Congress February 12, 1873 (III Stat 131, 1873). Section 14 of this act sets forth the provisions as follows:

1 This weight may be determined from the Act of 1834 dealing with the gold coins, which called for a ten dollar gold coin containing 232 grains of pure gold.

Gold coins;

SEC. 14. That the gold coins of the United States shall be a one-dollar piece, which, at the standard weight of twenty-five and eight-tenths grains, shall be the unit of value; a quarter-eagle, or two-and-a-half dollar piece; a three-dollar piece; a half-eagle, or five-dollar piece; an eagle, or ten-dollar piece; and a double eagle, or twenty-dollar piece. And the standard weight of the gold dollar shall be twenty-five and eight-tenths grains; of the quarter-eagle, or two-and-a-half dollar piece, sixty-four and a half grains; of the three-dollar piece, seventy-seven and four-tenths grains; of the half-eagle, or five-dollar piece, one hundred and twenty-nine grains; of the eagle, or ten-dollar piece, two hundred and fifty-eight grains; of the double-eagle, or twenty-dollar piece, five hundred and sixteen grains; which coins shall be a legal tender in all payments at their nominal value when not below the standard weight and limit of tolerance provided in this act for the single piece, and, when reduced in weight, below said standard and tolerance, shall be a legal tender at valuation in proportion to their actual weight; and any gold coin of the United States, if reduced in weight by natural abrasion not more than one-half of one per centum below the standard weight prescribed by law, after a circulation of twenty years, as shown by its date of coinage, and at a ratable proportion for any period less than twenty years, shall be received at their nominal value by the United States treasury and its offices, under such regulations as the Secretary of the Treasury may prescribe for the protection of the government against fraudulent abrasion or other practices; and any gold coins in the treasury of the United States reduced in weight below this limit of abrasion shall be recoined.

standard weight;

to be legal tender;

reduction in weight by natural abrasion;

where to be received.

The silver coins in the act did not include the former "silver dollar", but instead included a trade dollar of greater weight (420 grains).

The gold dollar continued to be the unit of value of the United States money system, and continues so to this day, with no repeal ever having taken place to change this fact.[1]

The Act of February 28, 1878, authorized once again the coinage of the silver coin of the weight of 412½ grains of standard silver, which had been the silver dollar, and made it a legal tender unless otherwise stipulated. But this coin was not declared to be the unit of value, therefore the dollar of gold remained supreme

1 See Title 31, Section 314, United States Code, 1976, wherein it is stated, "The dollar of gold nine-tenths fine . . . shall be the standard unit of value, . . ."
(United States Code, 1976 Edition, Containing the General and Permanent Laws of the United States in force on January 3, 1977: Vol. 8, Title 28 — Judiciary and Judicial Procedure, to Title 31 — Money and Finance, p. 1281: United States Government Printing Office, Washington, 1977.)

and continued as the standard monetary unit of the Union.

The Act of March 14, 1900 (I Stat. 41, 1900), continued and further established the supremacy of the gold dollar by clearly defining it and fixing it as the standard of value. This is documented in Section 1 of the act:

March 14, 1900.

CHAP. 41.—An Act To define and fix the standard of value, to maintain the parity of all forms of money issued or coined by the United States, to refund the public debt, and for other purposes.

Standard value fixed. R. S., sec. 3511, p. 698.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the dollar consisting of twenty-five and eight-tenths grains of gold nine-tenths fine, as established by section thirty-five hundred and eleven of the Revised Statutes of the United States, shall be the standard unit of value, and all forms of money issued or coined by the United States shall be maintained at a parity of value with this standard, and it shall be the duty of the Secretary of the Treasury to maintain such parity.

Minting of the dollar gold coin was stopped by Act of September 26, 1890, presumably because of its small size, but minting of the 2½, 5, 10 and 20 dollar gold coins continued, thus keeping multiples of the monetary unit in circulation. These multiples of the dollar, except for the 2½ dollar piece which was stopped in 1930, continued to be minted until they, as last evidence of the unit of value, were ordered out of circulation in 1933. The 141 year span of gold coinage in the United States was thus ended, and the unit of value — the dollar of gold — the money unit of the United States — ceased to circulate and be a money in the United States. In its place a piece of paper was used — the paper note, the bank note of a private bank. The monetary unit of the country was denied to the people by their government.

TABLE 2

Chronology of the Dollar from its Inception in 1792 to its Removal in 1933

1792 - Adoption of the dollar of silver as the unit of value.

1849 - Introduction of a gold coin of weight of one dollar, and made legal tender for that amount.

1853 - Cessation of currency of the silver dollar.

1873 - The dollar of gold made the unit of value.

1900 - The dollar of gold defined and fixed as the stand ard unit of value.

1933 - Removal of the dollar — which is a gold coin — from circulation; use of paper in its place, which, like counterfeit, has no intrinsic value.

Chapter V

THE DOLLAR REMOVED . . . Use of Counterfeit in its Place

The removal of the dollar from circulation was a sudden maneuver done by President Franklin Roosevelt, via Executive Order Number 6102[1], on April 5, 1933. However, the groundwork for conditioning, or perhaps "brainwashing", the people to accept the removal of the dollar and a consequent violation of their coinage and money rights under the Constitution, appears to have been laid in 1913, with the establishment of the private bank known as the Federal Reserve Bank. Under the act establishing this bank, Congress illegally[2] gave it the power to issue its own pieces of paper (bank notes), which circulated side by side with the dollar, and which could be exchanged for dollars, a dollar being, of course, a gold coin of specified weight and fineness. For 20 years (1913-1933 — almost a generation) people grew accustomed to having Federal Reserve Notes circulate side by side with dollars and paper certificates for dollars. Since the notes were redeemable in dollars, they were loosely called "dollars" as well, and are still called a "dollar" today even though they are not one.

When people are accustomed to calling two different things by the same name, it is not too difficult to remove one of the things and leave the other, though it may not be the true thing; but since it is called by the same name it is accepted as the same thing — particularly if the law erroneously declares it to be the same thing.

1 This order is reproduced in Appendix C, pp. 59-64; it is found in *THE PUBLIC PAPER AND ADDRESSES OF FRANKLIN D. ROOSEVELT*, Vol. 2, pp. 111-114, Random House, New York, 1938.

2 This illegality stems from the fact that the money power — the coining of money and regulating its value — is fixed in Congress by Article I, Section 1 of the Constitution. Being fixed in that legislative body of the people, it cannot be placed elsewhere without violating the rights of the people and the Supreme Law as reflected in the aforementioned Section 1 of Article I, plus Section 8 of that Article, and the restrictions of the Ninth Amendment.

The first formal step taken toward the removal of the dollar and the use of a counterfeit, was the Act of March 9, 1933 (I Stat. 1, 1933), "To provide relief in the existing national emergency in banking, and for other purposes." Section 3 of this act amended the Federal Reserve Act with the following subsection:

Federal Reserve Act, amended.
Vol. 30, p. 752.

SEC. 3. Section 11 of the Federal Reserve Act is amended by adding at the end thereof the following new subsection:

Emergency impounding of gold.
Authority of Secretary of Treasury.

"(n) Whenever in the judgment of the Secretary of the Treasury such action is necessary to protect the currency system of the United States, the Secretary of the Treasury, in his discretion, may require any or all individuals, partnerships, associations and corporations to pay and deliver to the Treasurer of the United States any or all gold coin, gold bullion, and gold certificates owned by such individuals, partnerships, associations and corporations. Upon receipt of such gold coin, gold bullion or gold certificates, the Secretary of the Treasury shall pay therefor an equivalent amount of any other form of coin or currency coined or issued under the laws of the United States. The Secretary of the Treasury shall pay all costs of the transportation of such gold bullion, gold certificates, coin, or currency, including the cost of insurance, protection, and such other incidental costs as may be reasonably necessary. Any individual, partnership, association, or corporation failing to comply with any requirement of the Secretary of the Treasury made under this subsection shall be subject to a penalty equal to twice the value of the gold or gold certificates in respect of which such failure occurred, and such penalty may be collected by the Secretary of the Treasury by suit or otherwise."

Exchange for any other form of currency, etc.

Reimbursing transportation costs.

Hoarding, etc., deemed an offense.

Penalty.

Upon inspection, it may be observed that at the very least this amended section violates the following parts of the Constitution:

1. Article I, Sections 1, 8, 10.
2. Article II.
3. Fifth Amendment.
4. Ninth Amendment.

The dollar being a gold coin, Congress thus made provision for its removal at the whim of the executive department through the use of the Reserve Bank Act. However, the dollar was actually removed by the use of another method which had been set up by Congress during World War I in the Act of October 6, 1917, giving certain money powers to the President which he does not possess under the Constitution. This World War I act was amended in 1921, and again on March 9, 1933. Using the power supposedly given in this act, President Franklin Roosevelt issued his aforementioned Execu-

tive Order of April 5, 1933, to remove the dollar from circulation.

Interesting, unconstitutional money provisions were further promulgated by Congress under the "Emergency Farm Mortgage Act of 1933," approved May 12, 1933 (I Stat. 25, 1933). The President was given power, albeit illegally, to authorize the issue of United States Notes, and to fix by proclamation the weight of the gold dollar — an interesting maneuver since he had already done away with the dollar. He was supposedly also given the power to fix the weight of the silver "dollar," which, of course, was not a true dollar since it was not the standard unit of value. The fact that Congress made an illegal grant of its fixed powers to the executive does not seem to have bothered it in the least. However, since Congress cannot remove a power fixed in it, any executive action on that supposed grant is illegal. Nonetheless, it was another step to formally do away with the dollar and establish the counterfeit. The pertinent portion of this Act is Section 43 (b) (2), which likewise violates the people's constitutional rights under the articles and amendments previously listed.

PART 8—SHORT TITLE

Short title.

SEC. 42. This title may be cited as the "Emergency Farm Mortgage Act of 1933."

Financing; Coining money, etc.

TITLE III—FINANCING—AND EXERCISING POWER CONFERRED BY SECTION 8 OF ARTICLE I OF THE CONSTITUTION: TO COIN MONEY AND TO REGULATE THE VALUE THEREOF

Discretionary authority of the President. Post, p. 313.
When U.S. commerce adversely affected by foreign currency depreciation.
Fixing parity of currency issues.
Economic emergency requires credit expansion.
Stabilization by international agreement.

SEC. 43. Whenever the President finds, upon investigation, that (1) the foreign commerce of the United States is adversely affected by reason of the depreciation in the value of the currency of any other government or governments in relation to the present standard value of gold, or (2) action under this section is necessary in order to regulate and maintain the parity of currency issues of the United States, or (3) an economic emergency requires an expansion of credit, or (4) an expansion of credit is necessary to secure by international agreement a stabilization at proper levels of the currencies of various governments, the President is authorized, in his discretion—

Conduct, through Federal Reserve Board, open market operations in U.S. obligations, etc. Post, p. 168.

(a) To direct the Secretary of the Treasury to enter into agreements with the several Federal Reserve banks and with the Federal Reserve Board whereby the Federal Reserve Board will, and it is hereby authorized to, notwithstanding any provisions of law or rules and regulations to the contrary, permit such reserve banks to agree that they will, (1) conduct, pursuant to existing law, throughout specified periods, open market operations in obligations of the United States Government or corporations in which the

United States is the majority stockholder, and (2) purchase directly and hold in portfolio for an agreed period or periods of time Treasury bills or other obligations of the United States Government in an aggregate sum of $3,000,000,000 in addition to those they may then hold, unless prior to the termination of such period or periods the Secretary shall consent to their sale. No suspension of reserve requirements of the Federal Reserve banks, under the terms of section 11(c) of the Federal Reserve Act, necessitated by reason of operations under this section, shall require the imposition of the graduated tax upon any deficiency in reserves as provided in said section 11(c). Nor shall it require any automatic increase in the rates of interest or discount charged by any Federal Reserve bank, as otherwise specified in that section. The Federal Reserve Board, with the approval of the Secretary of the Treasury, may require the Federal Reserve banks to take such action as may be necessary, in the judgment of the Board and of the Secretary of the Treasury, to prevent undue credit expansion.

Purchase directly and hold Treasury bills, etc., additional to present holdings.

Suspension of reserve requirements not to impose graduated tax on any deficiency in reserves.
Vol. 38, p. 262.
U.S.C., p. 276.

Interest or discount rates.

Measures to prevent undue credit expansion.

(b) If the Secretary, when directed by the President, is unable to secure the assent of the several Federal Reserve banks and the Federal Reserve Board to the agreements authorized in this section, or if operations under the above provisions prove to be inadequate to meet the purposes of this section, or if for any other reason additional measures are required in the judgment of the President to meet such purposes, then the President is authorized—

If unable to secure assent of Federal Reserve banks to authorized agreements, etc.

Authority of President.

(1) To direct the Secretary of the Treasury to cause to be issued in such amount or amounts as he may from time to time order, United States notes, as provided in the Act entitled "An Act to authorize the issue of United States notes and for the redemption of funding thereof and for funding the floating debt of the United States", approved February 25, 1862, and Acts supplementary thereto and amendatory thereof, in the same size and of similar color to the Federal Reserve notes heretofore issued and in denominations of $1, $5, $10, $20, $50, $100, $500, $1,000, and $10,000; but notes issued under this subsection shall be issued only for the purpose of meeting maturing Federal obligations to repay sums borrowed by the United States and for purchasing United States bonds and other interest-bearing obligations of the United States: *Provided*, That when any such notes are used for such purpose the bond or other obligation so acquired or taken up shall be retired and canceled. Such notes shall be issued at such times and in such amounts as the President may approve but the aggregate amount of such notes outstanding at any time shall not exceed $3,000,000,000. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, an amount sufficient to enable the Secretary of the Treasury to retire and cancel 4 per centum annually of such outstanding notes, and the Secretary of the Treasury is hereby directed to retire and cancel annually 4 per centum of such outstanding notes. Such notes and all other coins and currencies heretofore or hereafter coined or issued by or under the authority of the United States shall be legal tender for all debts public and private.

United States notes may be issued.
Vol. 12, p. 345.

Size, color, denominations, etc.

Purposes of issue defined.

Proviso.
Retirement of bonds so purchased.

Issues, amounts, etc.

Appropriation for annual cancellation.

Notes, etc., to be legal tender.
Post, p. 513.

(2) By proclamation to fix the weight of the gold dollar in grains nine tenths fine and also to fix the weight of the silver dollar in grains nine tenths fine at a definite fixed ratio in relation to the gold dollar at such amounts as he finds necessary from his investigation to stabilize domestic prices or to protect the foreign commerce against the adverse effect of depreciated foreign currencies, and to provide for the unlimited coinage of such gold and silver at the ratio so fixed, or in case the Government of the United States

President, by proclamation, may fix weight of gold dollar.
Silver dollar.
Post, p. 344.

Unlimited coinage of gold and silver dollar at fixed ratio.

Weight of gold dollar fixed by international agreement.

enters into an agreement with any government or governments under the terms of which the ratio between the value of gold and other currency issued by the United States and by any such government or governments is established, the President may fix the weight of the gold dollar in accordance with the ratio so agreed upon, and such gold dollar, the weight of which is so fixed, shall be the standard unit of value, and all forms of money issued or coined by the United States shall be maintained at a parity with this standard and it shall be the duty of the Secretary of the Treasury to maintain such parity, but in no event shall the weight of the gold dollar be fixed so as to reduce its present weight by more than 50 per centum.

To be standard unit of value.

Parity maintenance. Minimum weight of gold dollar.
Post, p. 342.

The next step in the establishment of the counterfeit was the Joint Resolution of Congress June 5, 1933 (I Stat. 48, 1933). It is reproduced here so the deceptive use of the words may be examined.

[CHAPTER 48.] JOINT RESOLUTION

June 5, 1933.
[H. J. Res. 192.]
[Pub. Res., No. 10.]

To assure uniform value to the coins and currencies of the United States.

Whereas the holding of or dealing in gold affect the public interest, and are therefore subject to proper regulation and restriction; and

Uniform value of coins and currencies. Preamble.

Whereas the existing emergency has disclosed that provisions of obligations which purport to give the obligee a right to require payment in gold or a particular kind of coin or currency of the United States, or in an amount in money of the United States measured thereby, obstruct the power of the Congress to regulate the value of the money of the United States, and are inconsistent with the declared policy of the Congress to maintain at all times the equal power of every dollar, coined or issued by the United States, in the markets and in the payment of debts. Now, therefore, be it

Clauses in obligations requiring gold, etc., payments declared contrary to public policy.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) every provision contained in or made with respect to any obligation which purports to give the obligee a right to require payment in gold or a particular kind of coin or currency, or in an amount in money of the United States measured thereby, is declared to be against public policy; and no such provision shall be contained in or made with respect to any obligation hereafter incurred. Every obligation, heretofore or hereafter incurred, whether or not any such provision is contained therein or made with respect thereto, shall be discharged upon payment, dollar for dollar, in any coin or currency which at the time of payment is legal tender for public and private debts. Any such provision contained in any law authorizing obligations to be issued by or under authority of the United States, is hereby repealed, but the repeal of any such provision shall not invalidate any other provision or authority contained in such law.

No future obligation to be so expressed.

Payments to be made in legal tender.

Conflicting provisions repealed.
U.S.C., p. 1003.
Other provisions not invalidated.

(b) As used in this resolution, the term "obligation" means an obligation (including every obligation of and to the United States, excepting currency) payable in money of the United States; and the term "coin or currency" means coin or currency of the United States, including Federal Reserve notes and circulating notes of Federal Reserve banks and national banking associations.

Term "obligation" defined.

"Coin or currency."

SEC. 2. The last sentence of paragraph (1) of subsection (b) of section 43 of the Act entitled "An Act to relieve the existing national economic emergency by increasing agricultural purchasing power, to raise revenue for extraordinary expenses incurred by reason of such emergency, to provide emergency relief with respect to agricultural indebtedness, to provide for the orderly liquidation of joint-stock land banks, and for other purposes", approved May 12, 1933, is amended to read as follows:

National Economic Emergency Act, amended.
Ante, p. 32.

"All coins and currencies of the United States (including Federal Reserve notes and circulating notes of Federal Reserve banks and national banking associations) heretofore or hereafter coined or issued, shall be legal tender for all debts, public and private, public charges, taxes, duties, and dues, except that gold coins, when below the standard weight and limit of tolerance provided by law for the single piece, shall be legal tender only at valuation in proportion to their actual weight."

Coins and currencies as legal tender.

Abraded gold coins, according to weight.

Approved, June 5, 1933, 4.40 p.m.

In this resolution Congress has the audacity to declare that holding or dealing in gold is subject to "proper regulation or restriction." Since the dollar is gold, Congress thus says that the dollar is to be regulated. However, the only regulation Congress may do to the dollar is that of regulating its value as provided by Article I, Section 8 of the Constitution. Any other regulation is improper and outside the limits prescribed by the Constitutiton. It is further manifestly incorrect to say the dollar is subject to restriction or to include restriction with regulation, for if the dollar is restricted then the national monetary unit is restricted, which is obviously illegal and absurd.

The next provision of the Resolution, regarding obligations which require payment in gold (i.e. dollars), and that such payment obstructs the power of the Congress to regulate the value of the money, is absolute foolishness and a total absurdity. What congress is saying here is that obligations payable in dollars, which of course are gold, obstruct the power of Congress to regulate the value of the dollar, which is the money of account of the United States and is a gold coin. This position is an absurdity, for the only thing that is real money is gold, and Congress already has the power to regulate the value of the money, and therefore the dollar, as it regulated the value of the gold money in 1834. Therefore, to say that obligations payable in gold obstruct its power to regulate the value of the money, which is gold, is just plain nonsense.

Nonetheless, this resolution marked another step in the formal removal of the dollar from circulation by declaring the payment of dollars (gold) in obligations to be against "public policy", contrary to what the Constitution says, and that the obligation was to be discharged only in any coin (even a base coin) or currency which is legal tender for public and private debts, contrary to the constitutional provision that only gold and silver coin are legal tender. This resolution thus helped remove the dollar from circulation, in a formal sense, by prohibiting its use to pay contract debts and similar obligations.

On August 28, 1933, President Roosevelt issued yet another executive order — number 6260[1] — in which he prescribed regulations governing hoarding (!), export, and earmarking of gold coin, bullion, or currency, and transactions in foreign exchange. His supposed authority for this executive order was again the wartime act of October 6, 1917.

The next event in the coup de grace of the dollar was a message by President Roosevelt on January 15, 1934[2], in which he asked Congress to pass title and possession of all monetary gold to the government. Neither the fact that the president has no monetary or commercial powers at all under the Constitution, nor the fact that the assumption of such powers is at a minimum a violation of Article I, Section 1 and the Ninth Amendment, seems to have had any restraining effect on the headlong effort to take the property and security of the people from them by removing the dollar and substituting paper — a commodity of demonstrably less value than gold.

Congress responded to this request by obligingly passing the Gold Reserve Act of 1934 on January 30 of that year (II Stat. 6, 1934). Under Section 2 of the Act all gold coin and bullion of the private Federal Reserve System became vested in the United States. In Section 5, reprinted below, a pliant Congress gave the final

1 See Appendix C, pp. 65-72.
2 See Appendix C, pp. 73-78.

body blow to the dollar, as commanded by the President. Under this section the dollar was no longer to be coined, nor was it to be paid out or delivered by the United States. In short, the dollar was no longer to be used by the United States, and thus de facto to no longer be the monetary unit of the Union.

Under Section 6, no currency (paper) of the United States could be redeemed in dollars. The President and Congress thus violated a multitude of constitutional rights of the people, and legislated the United States into the position of a bank that has failed, the currency notes of which then become worthless since they are unable to be redeemed in dollars, and become mere evidences of dishonored debt since they possess no value of and by themselves — i.e. intrinsic value.

[CHAPTER 6.]

AN ACT

January 30, 1934.
[H. R. 6976.]
[Public, No. 87.]

To protect the currency system of the United States, to provide for the better use of the monetary gold stock of the United States, and for other purposes.

Gold Reserve Act of 1934.
Post, p. 1990.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the short title of this Act shall be the "Gold Reserve Act of 1934."

Gold coin and bullion.
Title of Federal Reserve Board, etc., vested in United States.
Payments.
Credits established.
Vol. 40, p. 236; U.S.C., p. 267.
Balances payable in gold certificates.
Custody and delivery.

SEC. 2. (a) Upon the approval of this Act all right, title, and interest, and every claim of the Federal Reserve Board, of every Federal Reserve bank, and of every Federal Reserve agent, in and to any and all gold coin and gold bullion shall pass to and are hereby vested in the United States; and in payment therefor credits in equivalent amounts in dollars are hereby established in the Treasury in the accounts authorized under the sixteenth paragraph of section 16 of the Federal Reserve Act, as heretofore and by this Act amended (U.S.C., title 12, sec. 467). Balances in such accounts shall be payable in gold certificates, which shall be in such form and in such denominations as the Secretary of the Treasury may determine. All gold so transferred, not in the possession of the United States, shall be held in custody for the United States and delivered upon the order of the Secretary of the Treasury; and the Federal Reserve Board, the Federal Reserve banks, and the Federal Reserve agents shall give such instructions and shall take such action as may be necessary to assure that such gold shall be so held and delivered.

Federal Reserve notes.
Vol. 38, p. 265; U. S. C., p. 284; Post, p. 308.
Redemption in lawful money.

(b) Section 16 of the Federal Reserve Act, as amended, is further amended in the following respects:

(1) The third sentence of the first paragraph is amended to read as follows: "They shall be redeemed in lawful money on demand at the Treasury Department of the United States, in the city of Washington, District of Columbia, or at any Federal Reserve bank."

No gold hereafter to be coined.
Vol. 31, p. 45; U.S.C., p. 893.
Proviso.

SEC. 5. No gold shall hereafter be coined, and no gold coin shall hereafter be paid out or delivered by the United States: *Provided, however*, That coinage may continue to be executed by the mints

Coinage for foreign countries.
U.S.C., p. 999.
Withdrawal of gold coin; formed into bars.

of the United States for foreign countries in accordance with the Act of January 29, 1874 (U.S.C., title 31, sec. 367). All gold coin of the United States shall be withdrawn from circulation, and, together with all other gold owned by the United States, shall be formed into bars of such weights and degrees of fineness as the Secretary of the Treasury may direct.

United States currency not redeemable in gold.

SEC. 6. Except to the extent permitted in regulations which may be issued hereunder by the Secretary of the Treasury with the approval of the President, no currency of the United States shall be redeemed in gold: *Provided, however*, That gold certificates owned by the Federal Reserve banks shall be redeemed at such times and in such amounts as, in the judgment of the Secretary of the Treasury, are necessary to maintain the equal purchasing power of every kind of currency of the United States: *And provided further*, That the reserve for United States notes and for Treasury notes of 1890, and the security for gold certificates (including the gold certificates held in the Treasury for credits payable therein) shall be maintained in gold bullion equal to the dollar amounts required by law, and the reserve for Federal Reserve notes shall be maintained in gold certificates, or in credits payable in gold certificates maintained with the Treasurer of the United States under section 16 of the Federal Reserve Act, as heretofore and by this Act amended.

Proviso.
Exception, gold certificates owned by Reserve banks.

Reserves to be maintained.

In gold bullion.

In gold certificates.

Redemptions in gold to be in bullion only. Amount.

No redemptions in gold shall be made except in gold bullion bearing the stamp of a United States mint or assay office in an amount equivalent at the time of redemption to the currency surrendered for such purpose.

Increase in value of gold due to weight reduction of gold dollar covered into Treasury.
Post, p. 1720.

SEC. 7. In the event that the weight of the gold dollar shall at any time be reduced, the resulting increase in value of the gold held by the United States (including the gold held as security for gold certificates and as a reserve for any United States notes and for Treasury notes of 1890) shall be covered into the Treasury as a miscellaneous receipt; and, in the event that the weight of the gold dollar shall at any time be increased, the resulting decrease in value of the gold held as a reserve for any United States notes and for Treasury notes of 1890, and as security for gold certificates shall be compensated by transfers of gold bullion from the general fund, and there is hereby appropriated an amount sufficient to provide for such transfers and to cover the decrease in value of the gold in the general fund.

Gold bullion transfers to compensate depreciation.

Appropriation.
Post, p. 1689.

With the passage of this Act, the dollar — by law a gold coin weighing 25.8 grains of gold 0.9 fine — was taken out of existence. The dollar was formally done away with.

On the next day, January 31, 1934, President Roosevelt issued yet another proclamation, which was just as unconstitutional and as unlawful as the previous ones. In this proclamation he declared the dollar — which had been removed from circulation the day before and was thus no longer in existence — to possess less gold than it did while it was in existence. He ridiculously said

that that which was now non-existent contained only 15 5/21 grains of gold 0.9 fine, or that there were now 35 of these non-existent dollars in an ounce of gold ($35/oz.), whereas the day before while the dollar was technically still in existence there were 20.67 of them in an ounce of gold ($20.67/oz.).

Printed below is the proclamation made after the fact. It is something which may be considered in the nature of an ex post facto operation — a maneuver prohibited under Article I, Section 9 of the Constitution.

PROCLAMATIONS, 1934.

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA — January 31, 1934.

A PROCLAMATION

Gold Reserve. Preamble. Vol. 31, p. 45.

WHEREAS, by virtue of Section 1 of the Act of Congress approved March 14, 1900 (31 Stat. L. 45), the present weight of the gold dollar is fixed at twenty five and eight tenths grains of gold nine tenths fine; and

Ante, p. 31. Statutory authority of President.

WHEREAS, by Section 43, Title III of the Act approved May 12, 1933 (Public, No. 10, 73d Congress), as amended by Section 12 of the Gold Reserve Act of 1934, it is provided in part as follows:

"Whenever the President finds, upon investigation, that (1) the foreign commerce of the United States is adversely affected by reason of the depreciation in the value of the currency of any other government or governments in relation to the present standard value of gold, or (2) action under this section is necessary in order to regulate and maintain the parity of currency issues of the United States, or (3) an economic emergency requires an expansion of credit, or (4) an expansion of credit is necessary to secure by international agreement a stabilization at proper levels of the currencies of various governments, the President is authorized, in his discretion—

"(a) To direct the Secretary of the Treasury to enter into agreements with the several Federal Reserve banks and with the Federal Reserve Board whereby the Federal Reserve Board will, and it is hereby authorized to, notwithstanding any provisions of law or rules and regulations to the contrary, permit such reserve banks to agree that they will, (1) conduct, pursuant to existing law, throughout specified periods, open market operations in obligations of the United States Government or corporations in which the United States is the majority stockholder, and (2) purchase directly and hold in portfolio for an agreed period or periods of time Treasury bills or other obligations of the United States Government in an aggregate sum of $3,000,000,000 in addition to those they may then hold, unless prior to the termination of such period or periods the Secretary shall consent to their sale. No suspension of reserve requirements of the Federal Reserve banks, under the terms of section 11 (c) of the Federal Reserve Act, necessitated by reason of operations under this section, shall require the imposition of the graduated tax upon any deficiency in reserves as provided in said section 11 (c). Nor shall it require any

automatic increase in the rates of interest or discount charged by any Federal Reserve bank, as otherwise specified in that section. The Federal Reserve Board, with the approval of the Secretary of the Treasury, may require the Federal Reserve banks to take such action as may be necessary, in the judgment of the Board and of the Secretary of the Treasury, to prevent undue credit expansion.

"(b) If the Secretary, when directed by the President, is unable to secure the assent of the several Federal Reserve banks and the Federal Reserve Board to the agreements authorized in this section, or if operations under the above provisions prove to be inadequate to meet the purposes of this section, or if for any other reason additional measures are required in the judgment of the President to meet such purposes, then the President is authorized—

* * *

"(2) By proclamation to fix the weight of the gold dollar in grains nine tenths fine and also to fix the weight of the silver dollar in grains nine tenths fine at a definite fixed ratio in relation to the gold dollar at such amounts as he finds necessary from his investigation to stabilize domestic prices or to protect the foreign commerce against the adverse effect of depreciated foreign currencies, and to provide for the unlimited coinage of such gold and silver at the ratio so fixed, or in case the Government of the United States enters into an agreement with any government or governments under the terms of which the ratio between the value of gold and other currency issued by the United States and by any such government or governments is established, the President may fix the weight of the gold dollar in accordance with the ratio so agreed upon, and such gold dollar, the weight of which is so fixed, shall be the standard unit of value, and all forms of money issued or coined by the United States shall be maintained at a parity with this standard and it shall be the duty of the Secretary of the Treasury to maintain such parity, but in no event shall the weight of the gold dollar be fixed so as to reduce its present weight by more than 50 per centum. Nor shall the weight of the gold dollar be fixed in any event at more than 60 per centum of its present weight. The powers of the President specified in this paragraph shall be deemed to be separate, distinct, and continuing powers, and may be exercised by him, from time to time, severally or together, whenever and as the expressed objects of this section in his judgment may require; except that such powers shall expire two years after the date of enactment of the Gold Reserve Act of 1934 unless the President shall sooner declare the existing emergency ended, but the President may extend such period for not more than one additional year after such date by proclamation recognizing the continuance of such emergency"; and

Duration of powers conferred.

WHEREAS, I find, upon investigation, that the foreign commerce of the United States is adversely affected by reason of the depreciation in the value of the currencies of other governments in relation to the present standard value of gold, and that an economic emergency requires an expansion of credit; and

WHEREAS, in my judgment, measures additional to those provided by subsection (a) of said Section 43 are required to meet the purposes of such Section; and

WHEREAS, I find, from my investigation, that, in order to stabilize domestic prices and to protect the foreign commerce against the adverse effect of depreciated foreign currencies, it is necessary to fix the weight of the gold dollar at $15\frac{5}{21}$ grains nine tenths fine,

NOW, THEREFORE, be it known that I, FRANKLIN D. ROOSEVELT, President of the United States, by virtue of the authority vested in me by Section 43, Title III of said Act of May 12, 1933, as amended, and by virtue of all other authority vested in me, do hereby proclaim, order, direct, declare and fix the weight of the gold dollar to be 15 5/21 grains nine tenths fine, from and after the date and hour of this proclamation. The weight of the silver dollar is not altered or affected in any manner by reason of this proclamation.

Weight of gold dollar reduced.
48 Stat., p. 52.

Weight of silver dollar not affected.

This proclamation shall remain in force and effect until and unless repealed or modified by act of Congress or by subsequent proclamation; and notice is hereby given that I reserve the right by virtue of the authority vested in me to alter or modify this proclamation as the interest of the United States may seem to require.

Modification, etc., provisions.

IN WITNESS WHEREOF I have hereunto set my hand and have caused the seal of the United States to be affixed.

DONE in the City of Washington at 3.10 o'clock in the afternoon, Eastern Standard Time, this 31 day of January, in the year [SEAL] of our Lord one thousand nine hundred and thirty-four, and of the Independence of the United States the one hundred and fifty-eighth.

FRANKLIN D ROOSEVELT

By the President:
CORDELL HULL
Secretary of State.

[No. 2072]

We thus see that the removal of the dollar was a fairly sudden affair, both physically and formally. Laying the groundwork for its removal, though, and getting the people conditioned to something they would call and accept as a dollar took a bit longer. The preparations for this acceptance seem to have started with the aforementioned Federal Reserve Act of 1913. With this Act people became accustomed to the use of Federal Reserve Notes. In the proclamations, statutes, and executive orders of 1933 and 1934, made under the excuse of a national emergency (and likely an engineered one), the use of irredeemable paper was made more and more obligatory until it became the only thing permitted.

This irredeemable paper became as a counterfeit.

But why is it a counterfeit? To understand why, ask the question, "What is the intrinsic value of a counterfeit?"

Then ask the question, "What is the intrinsic value of a

paper note — Federal Reserve, United States, national bank, state bank, or otherwise?"

The answer for each note is too obvious for comment.

However, to show the obvious and elucidate the dishonesty which was commmitted, the following tables of comparison are made, followed by a table chronicling the counterfeiting process.

Additionally, to understand why the executive orders and proclamations of President Roosevelt were unlawful and unconstitutional, it is necessary to read, understand, and know one's rights under the Constitution, which is the supreme law of the land (Article VI, Section 2). An integral part of this understanding and knowledge is recognizing the separation of powers in the government, and specifically the lawful, constitutional powers available to the president under Article II. The limit of these presidential powers are delineated by James Madison in a letter to John Tyler[1] in which he wrote, "The Executive powers do not cover more ground, than those inserted by the Convention to whose discretion, the task of enumerating them was submitted."

An examination of presidential powers, which are set forth in Article II, shows absolutely no monetary powers, nor any commercial powers available to any president. This is further supported by Alexander Hamilton in Federalist Paper number 69, wherein contrasting the powers of the British monarch with those of the president of the United States, he categorically states that the president has no power over the money or commerce of the country.

The vesting requirement of Article I, Section 1, putting the money and other enumerated powers in the legislative branch, is a further bar to the executive hav-

1 James Madison to John Tyler, Documentary History of the Constitution, V, 379-390.

ing or using any such powers, as are the Ninth and Tenth Amendments.

Thus, we see that President Roosevelt acted unlawfully and unconstitutionally with respect to these executive orders and proclamations he issued, for he had no power to involve himself in the subject he dealt with. Although he may have thought he had power through legislation passed by Congress, he actually had none, for Congress cannot dispense with a power fixed in it. The enumerated powers granted to the Congress were granted by the people and vested (fixed) in that body. The people did not give Congress the power to divest itself of any of the power they granted. Therefore, there can be no transfer of power to the executive. If the power goes anywhere, it goes back to the people from whence it came.

Table 3

DISTINCTION BETWEEN THE DOLLAR AND COUNTERFEIT NOTES

	THE DOLLAR	COUNTERFEIT NOTES
1.	A coin of gold	Pieces of paper
2.	Has a definite weight fixed by law	Have no weight fixed by law; their weight is limited to that of paper they are printed on
3.	Has a fixed measure of value since a fixed weight is present	Have no fixed measure of value
4.	Made of one of the metallic elements found in nature, frequently in the free form	Fabricated from a man-generated product, not from any element found in nature
5.	The metal used in its manufacture is not found excessively in nature	Paper for printing is easily made and obtainable
6.	Has a store of value of and by itself; i.e. has intrinsic value	Have no store of value of and by themselves; have no intrinsic value
7.	Value is regulated by the weight and fineness of the metal present	Have no regulated value — only an exchange value until they are discovered
8.	Multiples contain a greater weight of the same metal	Multiples contain the same weight as the lowest denomination
9.	Its intrinsic value may be passed from person to person	Pass no intrinsic value from person to person — valueless from standpoint of intrinsic worth
10.	Is a medium of exchange with a store of value in it	May serve as a medium of exchange — until discovered — but have no store of value in them
11.	Exchange value varies little with the increased number minted	Presumed exchange value decreases with the increased amount printed
12.	Qualifies as a money by definition since it possesses intrinsic value and is a medium (unit) of exchange	Do not qualify as a money since they have no intrinsic value
13.	Provides a measure of financial protection to a citizen using it outside the country, since it is made of a metal that has universal value and universal acceptance	Provide no financial protection — domestically or internationally
14.	Will exchange for a counterfeit only through force and fraud	May not knowingly be exchanged for dollars

Table 4
DISTINCTION BETWEEN THE DOLLAR AND IRREDEEMABLE FEDERAL RESERVE NOTES PLUS UNITED STATES NOTES

	THE DOLLAR	FEDERAL RESERVE NOTES UNITED STATES NOTES
1.	A coin of gold	Pieces of paper
2.	Has a definite weight fixed by law	Have no weight fixed by law; their weight is limited to that of paper they are printed on
3.	Has a fixed measure of value since a fixed weight is present	Have no fixed measure of value
4.	Made of one of the metallic elements found in nature, frequently in the free form	Fabricated from a man-generated product, not from any element found in nature
5.	The metal used in its manufacture is not found excessively in nature	Paper for printing is easily made and obtainable
6.	Has a store of value of and by itself; i.e. has intrinsic value	Have no store of value of and by themselves; have no intrinsic value
7.	Value is regulated by the weight and fineness of the metal present	Have no regulated value — only an exchange value, which is forced by law and which always decreases with time
8.	Multiples contain a greater weight of the same metal	Multiples contain the same weight as the lowest denomination
9.	Its intrinsic value may be passed from person to person	Pass no intrinsic value from person to person — valueless from standpoint of intrinsic worth
10.	Is a medium of exchange with a store of value in it	Function as a medium of exchange by government order; have no store of value
11.	Exchange value varies little with the increased number minted	Exchange value decreases with increased amount printed
12.	Qualifies as a money by definition since it possesses intrinsic value and is a medium (unit) of exchange	Do not qualify as a money since they have no intrinsic value
13.	Provides a measure of financial protection to a citizen using it outside the country, since it is made of a metal that has universal value and universal acceptance	Provide continually decreasing financial protection domestically, and less or none internationally
14.	No dollars are in circulation to exchange for Reserve Bank Notes or United States Notes	Cannot be exchanged for a dollar, i.e. are irredeemable
15.	The metal of the dollar — gold - cannot be counterfeited	Paper notes may be counterfeited
16.	May be distinguished from a counterfeit by metallic analysis	Cannot be distinguished from a perfect counterfeit

Table 5
EQUIVALENCE OF IRREDEEMABLE FEDERAL RESERVE NOTES AND UNITED STATES NOTES WITH COUNTERFEIT NOTES

FEDERAL RESERVE NOTES UNITED STATES NOTES	COUNTERFEIT NOTES
1. Are pieces of paper	Are pieces of paper
2. Have no weight fixed by law	Have no weight fixed by law
3. Have no fixed measure of value	Have no fixed measure of value
4. Have no store of value within themselves; i.e. have no intrinsic value — valueless from standpoint of intrinsic worth	Have no store of value within themselves; i.e. have no intrinsic value — valueless from standof intrinsic worth
5. Function as a medium of exchange by government edict	Function as a medium of exchange if made well enough
6. Are a substitute for money	Are a substitute for money (until discovered)
7. Cannot be exchanged for money, i.e. a dollar	Cannot be exchanged for money, i.e. a dollar
8. Not regulated to a standard unit of value	Not regulated to a standard unit of value
9. Exchange value decreases with increased amount printed	Exchange value decreases with increased amount printed
10. Are bills of credit, which were considered at the Constitutional Convention and rejected	Act as bills of credit (until discovered)
11. No denominational weight difference	No denominational weight difference
12. By virtue of economic law, always decrease to the value of a counterfeit when irredeemable as money	Have no value
13. Cannot be distinguished from a perfect counterfeit	If perfect, cannot be distinguished from Federal Reserve Bank or United States Notes

Table 6
STEPS IN THE ESTABLISHMENT OF THE COUNTERFEIT BY THE UNITED STATES GOVERNMENT

March 9, 1933	—	Act to provide relief in the existing national emergency in banking, and for other purposes.
April 5, 1933	—	Executive Order number 6102.
May 12, 1933	—	Emergency Farm Mortgage Act of 1933.
June 5, 1933	—	Joint Resolution of Congress.
August 28, 1933	—	Executive Order number 6260.
January 15, 1934	—	Speech before Congress by President Franklin Roosevelt.
January 30, 1934	—	Gold Reserve Act.
January 31, 1934	—	Proclamation by President Roosevelt reducing the value of the "dollar".

APPENDICES

APPENDIX A

Copies of Early Documents and Reports

	Pages
National Archives Microfilm Frontsheet and Explanatory Notes, Roll 33	89-91
Rough Draft, Committee Report of May 22, 1776	92-93
Finished Draft, Committee Report of May 22, 1776	94-96
Report of the Committee of Ways and Means, April 20, 1777	97-98
Massachusetts Instructions to Delegates	99
Coinage Propositions of Hugh Williamson, handwritten	100-105
Written Coinage Propositions of Gouverneur Morris	106-109
Record of the Unanimous Vote Adopting the Dollar	110-111
Board of Treasury Report	112-132

APPENDIX B

Original Draft of the Constitution as Presented August 6, 1787, to the Members in Convention	133-146

APPENDIX C

Applicable Orders and Speech of President Franklin Roosevelt

Executive Order No. 6102 — Removal of the Dollar	147-152
Executive Order No. 6260	153-160
Speech of January 15, 1934	161-166

Copies of Early Documents and Reports

NATIONAL ARCHIVES MICROFILM PUBLICATIONS

Microcopy No. 247

PAPERS OF THE CONTINENTAL CONGRESS, 1774-1789

Roll 33

ITEM NO. 26

REPORTS OF COMMITTEES ON TREASURY AND FINANCE

1776-1788

THE NATIONAL ARCHIVES
NATIONAL ARCHIVES AND RECORDS SERVICE
GENERAL SERVICES ADMINISTRATION

Washington: 1957

NATIONAL ARCHIVES MICROFILM PUBLICATIONS

NOTES ON ROLL 33

Reproduced on this roll are Reports of Committees on Treasury and Finance, 1776-1788 (Item No. 26). They are in three bindings that have the following backstrip titles:

(1) "The / Papers / Of The / Continental / Congress / Reports Of / Committees / 26 / Pages 1 To 219 / [Depart]ment of State";

(2) "The / Papers / Of The / Continental / Congress / Reports Of / Committees / 26 / Pages 221 To 467 / Depar[tme]nt Of State"; and

(3) "The / Papers / Of The / Continental / Congress / Reports Of / Committees / 26 / Pages 469 To 709 / Depa[rtment Of] State."

The reports are concerned mainly with inquiries made by various committees into the operation of the Board of Treasury and into the state of and regulations for the national finances. They relate to such matters as ways and means of supplying the treasury; the settlement of public accounts; the depreciation of the continental currency; the apprehension and punishment of counterfeiters; the establishment of a system of general revenue; the establishment of a value and weight at which foreign coins would be received in taxes by the Treasurer; the condition of the public lottery; the establishment of a mint; the content and value of coins to be accepted as legal tender throughout the States; the reduction of public expenditures; and the establishment of a Board of Treasury and the defining of the duties of the Comptroller, Treasurer, Register, and Auditors. The last report, read on September 30, 1788, contains a statement of receipts and expenditures of the Department of Finance from November 1, 1784 (the date the Superintendent of Finance closed his accounts), to April 1, 1788, with foreign and domestic accounts listed separately.

NATIONAL ARCHIVES MICROFILM PUBLICATIONS

[redacted]

A number of the reports reproduced on this roll concern other reports that are parts of Item Nos. 136 and 138, Reports of the Board of Treasury from 1776 to 1781 and from 1784 to 1789, respectively. Item No. 136 is reproduced on Rolls 145-147 of this microcopy and Item No. 138 on Roll 151.

On most of the reports comprising Item No. 26 some or all of the following information is given, usually in endorsement form: names of committee members, name of the committee making the report, the report number, the subject, the date the report was delivered to Congress, and the date action was taken on the report. Unnumbered motions, resolutions, and revisions, together with a few other related papers, are interspersed among the numbered reports. The contents of the three bindings are arranged in rough chronological order (the numbered reports are in numerical order within that framework).

The reports reproduced on this roll are indexed by entries in volume 1 of the bound manuscript index reproduced at the beginning of Roll 26 (and on Roll 4). Part of the reports are listed in chronological order (and numerically) on pages 277 through 284 of the General Index (Item No. 17), reproduced on Roll 25 of this microcopy.

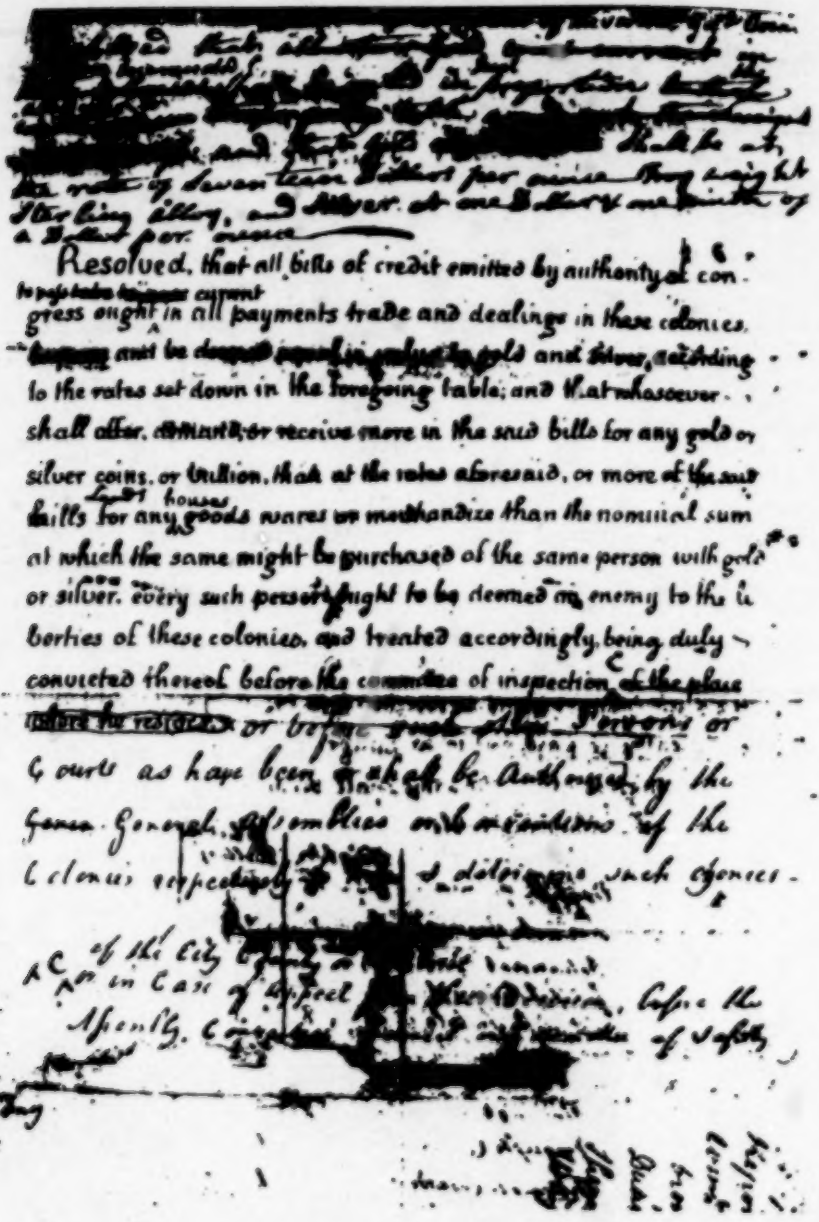
[redacted] receive out of
[redacted] in [redacted] allowing for the value thereof in gold or silver,
[redacted] value of such dollars compared with other silver and
with gold coins, is adjusted by different standards in different
[redacted] as individuals, whereas the said bills,
[redacted] Its current money ought to be supported by the inhabitants
of these colonies, for whose benefit they were issued at the full
value therein expressed, and who stand bound to redeem the
same, according to the like value. Therefore,

Resolved, that the several gold and silver coins passing in
[redacted] to the public treasury of the
[redacted] and paid out in exchange for bills emitted by authority
of congress, when the same shall become due, at the rates set
[redacted] in the following table.

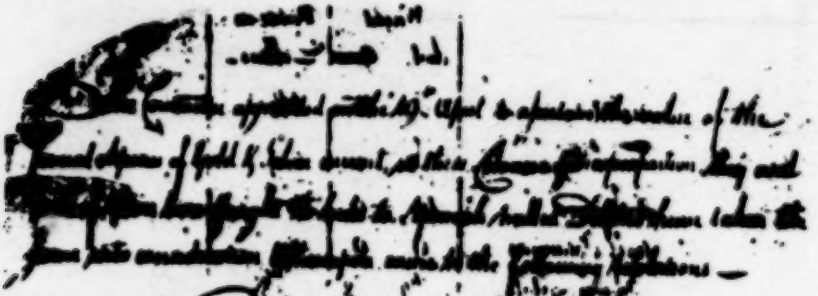
[redacted]	[redacted]	Dollars
[illegible] guineas	[illegible]	4⅔
French [illegible]	[illegible]	[illegible]
Johannes	[illegible]	5
half Johannes	[illegible]	2⅔
Spanish Pistole	[illegible]	1⅔
[redacted]		
Mexico	17	6
English Crown		1⅛
French Crown		1⅛
English Shilling		0⅓

Spanish milled Dollar

Resolved, that a deduction, at the rate of one hundredth part of the [illegible] or foreign gold coins falling short of the [illegible] the genuine Tables, and an advance of the same rate shall be allowed on such as exceed the aforesaid Weights.

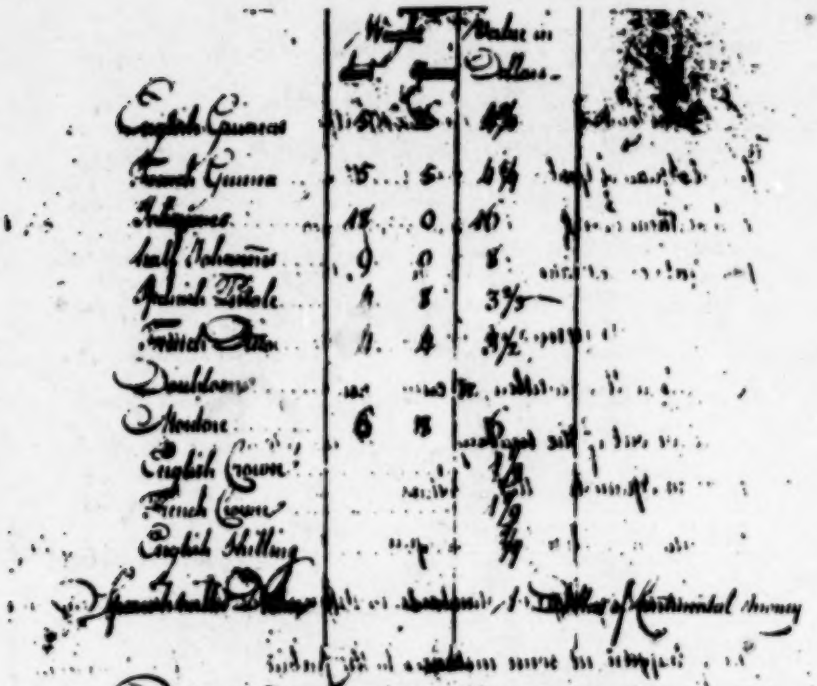


Resolved, that all bills of credit emitted by authority of con-
to pass [illegible] current
gress ought in all payments trade and dealings in these colonies
[illegible] and be deemed equal in value to gold and silver, according
to the rates set down in the foregoing table; and that whosoever
shall offer, demand, or receive more in the said bills for any gold or
silver coins, or bullion, than at the rates aforesaid, or more of the said
houses
bills for any goods wares or merchandize than the nominal sum
at which the same might be purchased of the same person with gold
or silver, every such person ought to be deemed an enemy to the li-
berties of these colonies, and treated accordingly, being duly
convicted thereof before the committee of inspection of the place
[illegible] or before [illegible] Courts as have been or shall be Authorized by the
General Assemblies or Legislatures of the
Colonies respectively [illegible]
[illegible]
[illegible]

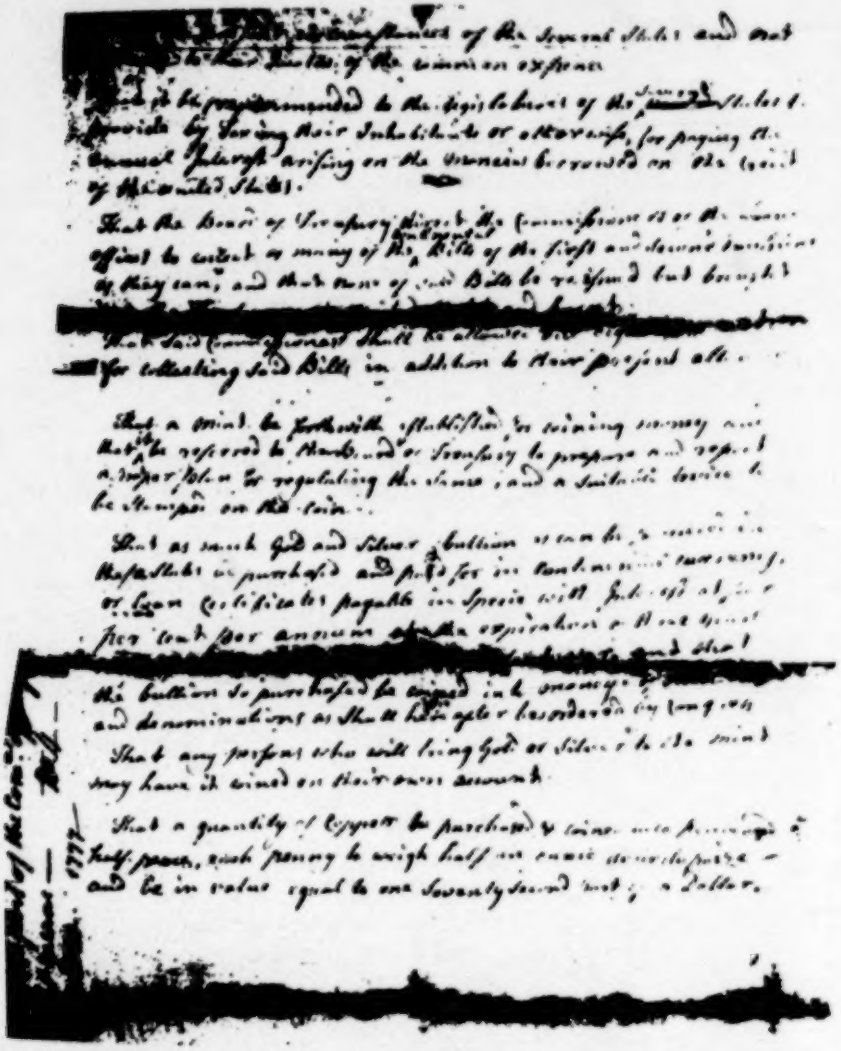


Whereas the holders of Bills of Credit emitted by authority of Congress will be entitled, at certain periods appointed for redemption thereof, to receive out of the treasury of the United Colonies the amount of the said Bills in Spanish milled dollars, or the value thereof in Gold or Silver, and the value of such dollars, compared with other silver and with Gold Coins, as estimated by different standards in different Colonies, evidently injustice may happen in some instances to the public, as well as to individuals, unless provision be made for ascertaining the credit of the said Bills on current Coin, which ought to be supported by the Inhabitants of those Colonies for whose benefit they were issued at the full value therein expressed, and who are bound to redeem the same according to the like value and the precarious existence of the Common Liberty to support the credit of the said Bills by raising the nominal value of Gold & Silver might be guarded against & prevented - Therefore

Resolved, That the several Gold & Silver Coins passing in the said Colonies shall be received into the public Treasury of the Continent, and paid out in exchange for Bills emitted by authority of Congress, when the same shall become due, at the rates set down in the following Table.



down on the [illegible] table, and that whosoever shall offer, demand, or receive, more or less for any Gold or Silver Coins, or Bullion, than at the rates aforesaid, or more of the said Bills for any Lands, Houses, Goods, Wares or Merchandize than the reasonal Sum at which the same might be purchased of the same [illegible] with gold or Silver, every such Person ought to be deemed an enemy to the Liberties of these Colonies, and treated accordingly, & may duly committed thereof before the Committee of inspection of the City Country or District or in case of appeal from their Decision, before the Assembly, Convention, Council or Committee of Safety or before such other Officers or Courts as have or shall be authorized by the General Assemblies or Conventions of the Colonies respectively to hear & determine such offences —



to the present circumstances of the several states and not agreeable to their Quotas of the common expence.

That it be recommended to the legislatures of the several states to provide by Taxing their inhabitants or otherwise for paying the annual interest arising on the monies borrowed on the credit of the United States.

That the Board of Treasury direct the Commissioner of the Loan offices to collect as many of the Continental Bills of the first and second Emissions as they can, and that none of the said Bills be reissued but brought into the Treasury of the United States and burnt.

That said Commissioner shall be allowed one eighth per cent for collecting said Bills in addition to their present allowance.

That a mint be forthwith established for coining money, and that it be referred to the Board of Treasury to prepare and report a proper plan for regulating the same, and a suitable device to be stamped on the coins.

That as much gold and silver bullion as can be processed in these states be purchased and paid for in Continental currency, or loan certificates payable in specie with interest at four per cent per annum at the expiration of three years next after the termination of the present war, and that the bullion so purchased be coined into money of such value and denominations as shall hereafter be ordered by Congress.

That any persons who will bring gold or silver to the mint may have it coined on their own account.

That a quantity of copper be purchased & coined into pence and half pence, each penny to weigh half an ounce avoirdupois — and be in value equal to one seventy second part of a Dollar.

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Commonwealth of Massachusetts.

In Senate October 29. 1784

Ordered, that the Delegates in Congress for this Commonwealth, be, and they hereby are instructed, to move as soon as may be, to Congress to take under consideration the State of foreign gold and silver coins, the rates at which they ought to pass throughout the United States and to recommend to the several States in the Union, to settle conformable thereto the rates at which the same shall pass in their respective States. Sent down for concurrence

Samuel Adams President

In the House of Representatives October 29th 1784
Read & Concurred
Samuel A Otis Speaker

Approved John Hancock

A true Copy
Attest
John. Avery jun. Secretary

33

[redacted] positions respecting the Coinage of Gold Silver and Copper.

1. The Value of Silver compared with Gold. 2. The Weight or Size of the several Pieces of money that are to be made, and 3. The Money Arithmetic or the mode in which it is to be counted. The Charges of Coinage are [redacted] to be considered.

1. In France 1 Grain of pure Gold is equal to 14 Grains of Silver, and in Spain 16 Grains of Silver are charged for 1 of Gold in England 15½ Grains. But of the Kingdoms last mentioned Gold is the prevailing Money, and Silver is under regulations that prevail. Sundry advantages would arise to us from a System by which Silver might become the prevailing Money. The only Scale to attempt to draw it from our Neighbours [redacted] when it is not sufficiently esteemed. Silver is not exported so easily as Gold as it is a more useful Metal.

Britain and Portugal should not be more than [redacted] for 1 of Gold. If for the alleged [redacted] Grains we should not give more than 14½. perhaps 14¾ would be a determination considering the Quantity of Gold that may be exported from Portugal.

2. The Weight, Size or Value of the several Pieces of money that shall be made or coined the most convenient Value of the Money Unit is a Question not easily determined considering that most of the Calculations of the Day are accustomed to count in Pounds Shillings Pence and that these denote Sums of different Values in different States they convey no distinct Ideas. The Money of the United States should be equally suited to all. The Legislature can be prepared to make Gold and Silver Pieces of particular Weights, and there [redacted] a very simple Process by which the imaginary Money of the United States may be translated into Gold Pieces or vice versa. The proposal that the Money Unit be one Quarter of a grain

[illegible] Silver. That the smallest Coin be a Copper which shall be worth 1/2 of One Cent. The smallest Silver Coin to be worth 10 Cents, another to be worth 100 Cents or 1 Dollar and thus increasing Decimally.

The objection to this Plan, as this is introduces a Coin smaller in Value than any thing now in Use, is [illegible] to depart from the national mode of keeping Accounts, and tends to preserve inconvenient Prejudices [illegible] for the sake of national Uniformity in Accounts, a thing greatly to be desired.

Another Plan has been offered, which proposes, that the Money Unit be One Dollar, and the smallest Coin is to be of Copper, of which 200 shall be equal to one Dollar. This Plan also proposes, that the usual Rates shall increase in a Decimal Ratio, and that all Accounts be kept in Decimals, which is certainly [illegible] must be the most short & simple mode.

The favour of this Plan is urged, that a Dollar, the proposed Unit, being in general Circulation & known Value is familiar. This accords with the national mode of keeping Accounts, and may in time produce the happy effect of Uniformity in many things and the Union.

3. The Money Arithmetic, though an important Question, is one that will admit of little Dispute. All accounts must be kept in Decimals.

4. Next is the best mode of defraying the Expence of Coining. Different Nations have adopted different Systems. The Precious Metals have their Value when coined, no higher than Bullion. Hence it follows that the Expence of the Mint, including the Artist, must be paid by a general Tax, and Tradesmen are disposed to work up the smallest Coin, by which the Tax is increased & continued. In some other Countries where the Coins are valued above the Price of Bullion; whereby Tradesmen are discouraged from melting or working up the current Coin, and the Mint is neither [illegible] than burdensome

[illegible] there are good and unobvious Reasons, why we [illegible] the national Coin above the Price of Bullion; but there is a certain Point beyond which we may not proceed, but an encourage counterfeiting or private Imitations of the [illegible] Coin. If the Coin proposed to make a Difference of 2£ 6d nearly, or an allowance for the Coinage of Gold and of 2£ 13 6d for the Coinage of Silver. It is probable that 2£ 6d would more than defray the Expence of coining Silver, in which Case it would be a Temptation to private Imitation and would operate against the free circulation of the money as being valued too high. It is to be remembered that Silver Coin ought to be encouraged and probably 2£ 6d or 2£ 13 6d would be a proper difference between Silver Coin and Bullion; the same Difference to be made in the Price of Gold. If this does not fully pay the Expences of the Mint, there will be a much larger Gain on the Coinage of Copper and if there should remain a small Balance against the Mint, the Operation will not be unreasonable.

The Coinage of Copper is a Subject that claims our immediate Attention. From the small Value of the several Pieces of copper Coin the medium of Exchange has been too much neglected. The more valuable Metals are daily giving Place to base British half Pence and no means are used to prevent the Fraud. This Disease which is neglected in the Beginning increases & appears trifling may finally prove a very Obstruction to [illegible] Commerce. It is credibly said that Copper may at this Instant be purchased in America at 4£ p Ton under the Price of British half Pence made of the Same we pay 80£ p Ton. These manufactured at Birmingham and shipped in Thousands for our Use are much lighter and thinner of less Metal. It can hardly be said that 72 of them are worth a Pound of Copper. Hence it will follow that we give for British half Pence about

ff

by Times their Value. There are no Materials from which we can estimate the Weight of Gold Pieces that have been imported from Britain since the old Tenor, but we have heard of many Pistoles being ordered to the nominal Sum of 1000 Guineas, & we see on the List no Packet coming from England by which the Sum of [illegible] with the same Weight of Gold Pieces. It is a very moderate computation which states our Gold in the Continent at 30 Thousand Dollars; by the Commerce of this Coin. The whole Expence of a Mint would not have amounted to half of that Sum, & the whole Expence of Domestic Coinage would remain in the Country.

The following Forms of Money are submitted

1 Piece of Gold	of	Dollars	10. containing 362 Grains pure Silver. The Dollar or Money of Account.
1 Piece of Silver	of		
1 Dº		Dollar	= .5
1 Dº		¼	= .25
1 Dº		⅛	= .1
1 Dº		1/20	= .05
1 Piece of Copper		1/100	= .01
1 Dº		1/200	= .005

The Quantity of pure Silver being fixed that is to be in the Dollar or Unit and the relation between Silver & Gold being fixed, all the other Weights must necessarily follow.

When it is considered that the Spaniards have been reducing the Weight of their Dollars and have instead of 365 Grains of pure Silver in the old Mexico Dollar the new Dollars contain not more than 365 Grains it will readily be thought that 362 Grains of pure Silver is a little for the federal Coin which is to be current in all Payments for one Dollar. Some of the old Silver will admit of a new Coinage, but the new ones will not. If the Value of Gold to that of Silver be fixed at 15 to 1, and the Alloy in each be equal the Weight

The several Denominations will be readily determined.

The Price of Bullion is immediately determined by the Foreign Exchange, that is changed towards the Expences of the Mint.

If the Ho^ble Commissioners adhere to the Dollar as their Money of Account, and to simplify Accounts by the Use of Decimals, there is nothing to prevent the immediate commencement of a Coinage of Copper.

Let the Copper Penny of which 100 are to pass for a Dollar contain 134 Grains of pure Copper, or 44 of them might pass for a Pound. In this Case, Copper Coin, when compared with the Money of Account, will be 67% Cheaper than that of Great Britain. There will remain a sufficient Profit on the Coinage.

Copper of the best Quality in Plates may be purchased in Europe at 10½ ♃. In rolling Blanks there will be a waste of 22% Three Pounds weight are worth 2/6. Hence the Blanks will cost 11½ nearly; and may be stocked at 1/2 New York Money ♃ Pound, exclusive of the Expence of rolling them, which is not great, as one Man can readily roll 100 ℔ in a Day.

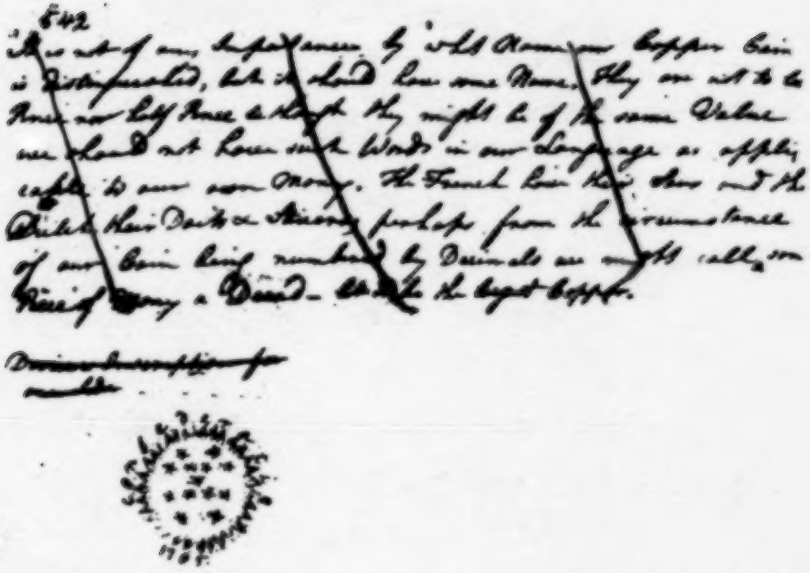
The Operation, properly called milling, by which the plain Edges are struck off from the Copper, is not more expensive than the cutting the Blanks.

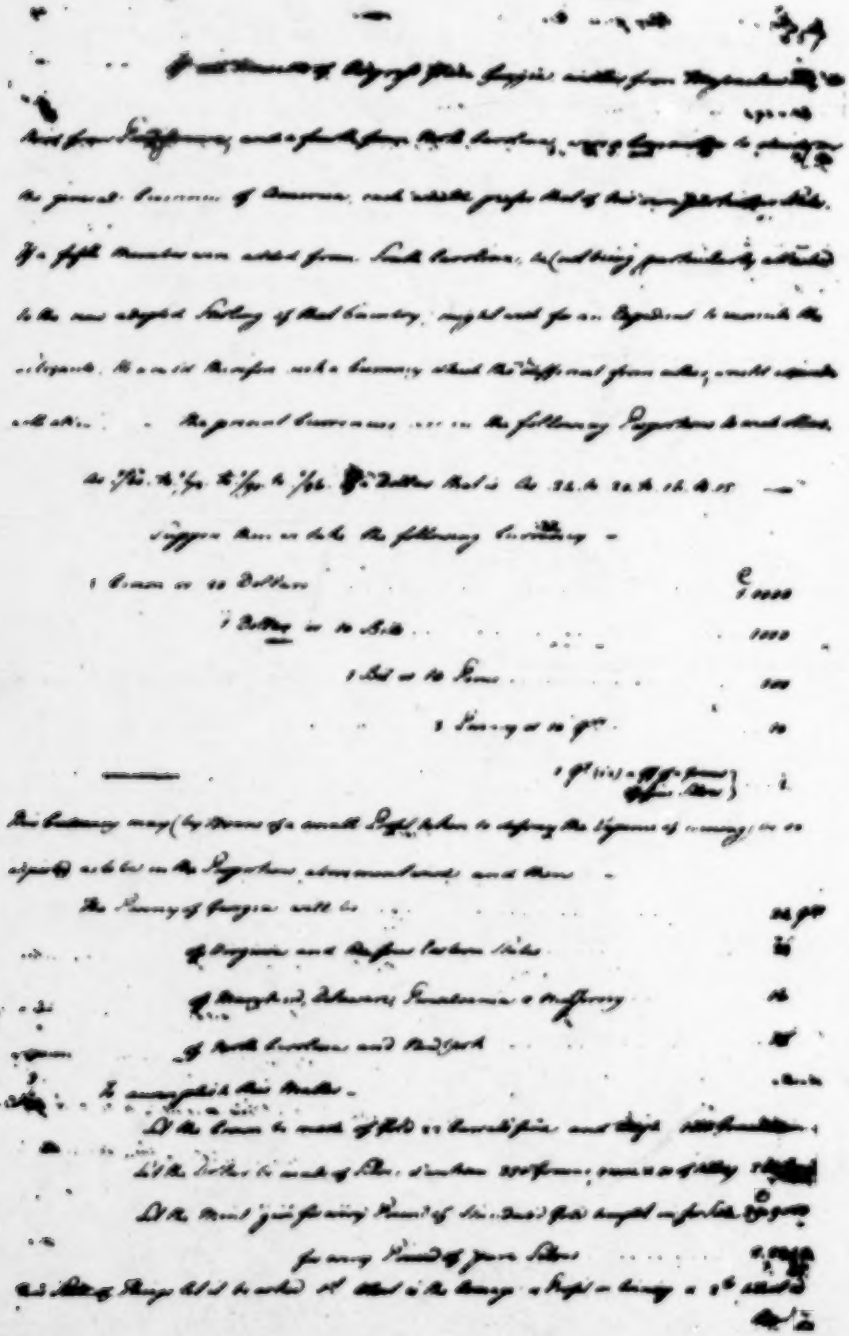
In the Process of coining Copper, Eight Artists or Labourers may be required.

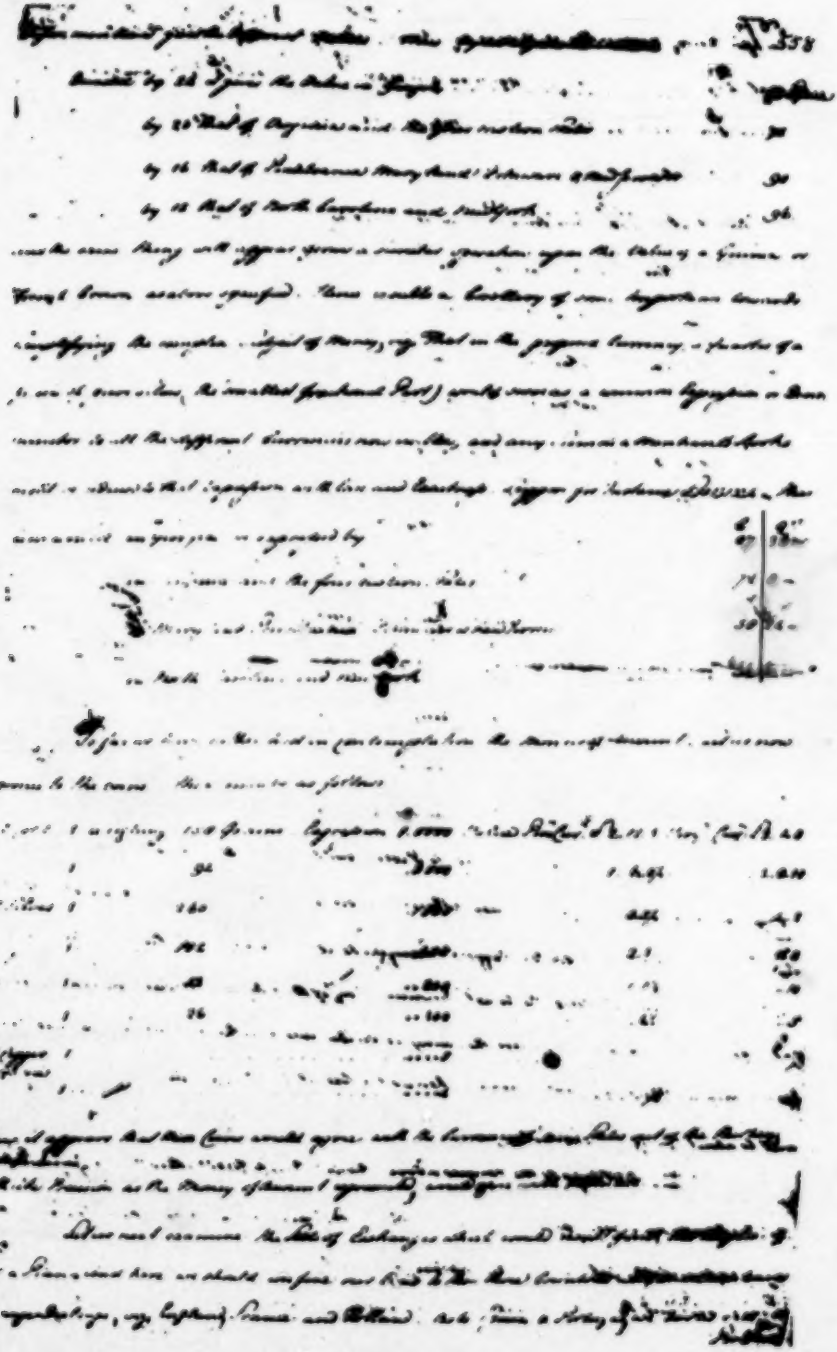
1 Engraver, 1 Labourer for the Head Stamp.
1 Artist, 5 Labourers for the coining Stamps.

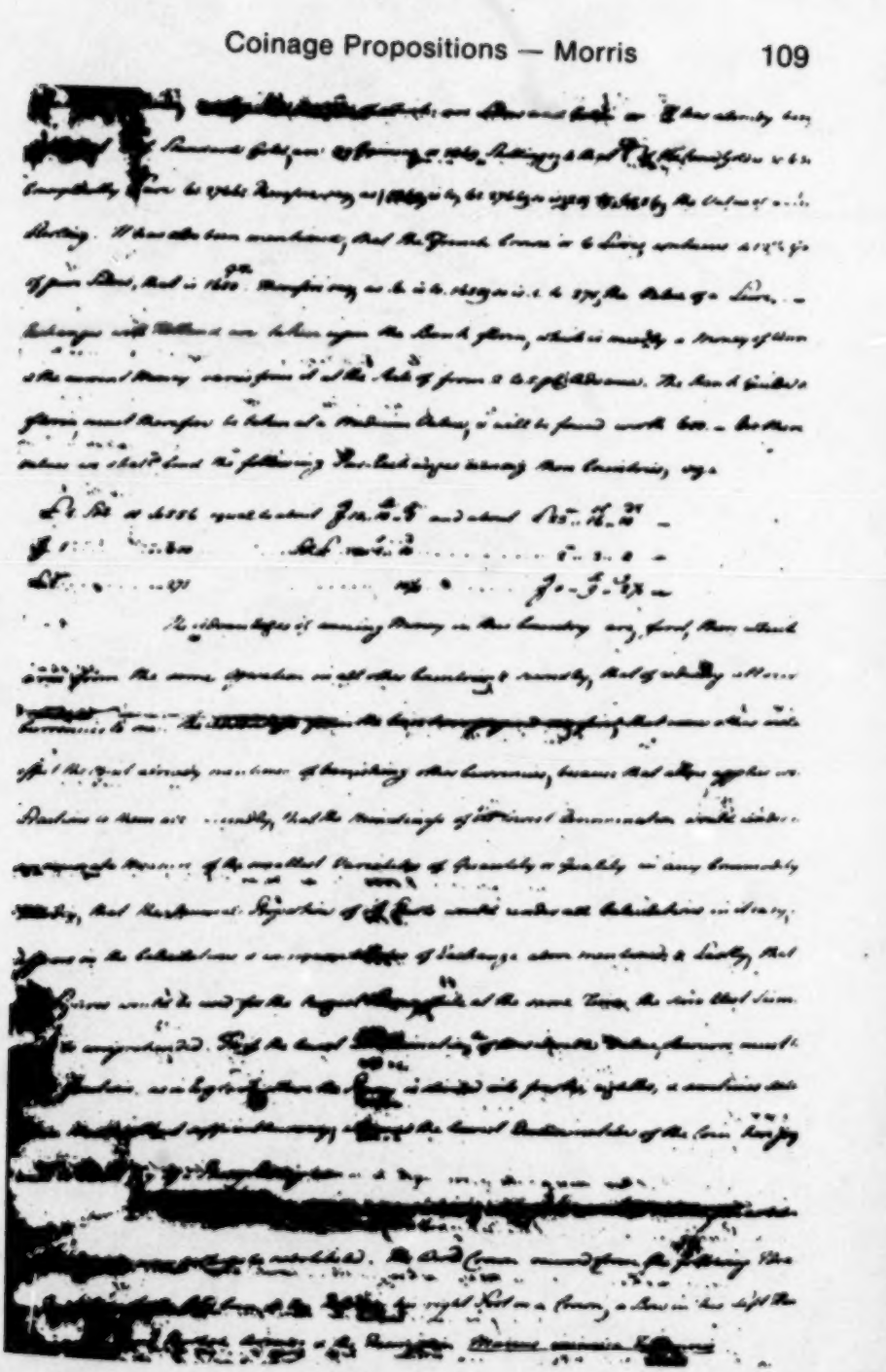
By these People 100 Weight of Copper may readily be coined every Day, or the Value of 44 Dollars.

Estimating the necessary Expences, there may be saved 20% 6/









Tuesday July 6. 1785

Congress assembled. Present New Hampshire Mr Gilman, Mr Foster, Massachusetts Mr Holten, Mr Gerry, Mr Dane, Mr King, Rhode Island Mr Howell, Connecticut Mr Johnson, Mr Sherman, New York Mr Haring, New Jersey Mr Boudinot, Mr Clark, Pennsylvania Mr Mifflin, Mr Montgomery, Mr Peters, Mr Fitzsimons, Mr Wilson, Mr Meredith, Delaware Mr Kearney, Mr Mercer, Maryland Mr Stone, Mr Carroll, Virginia Mr Jones, Mr Madison, Mr Grayson, Mr Monroe, North Carolina Mr Williamson, Mr Blount, South Carolina Mr Kean, Mr Huger, Georgia Mr Few, Mr Gunn.

Congress proceeded to the election of a Minister plenipotentiary to the United Netherlands and the ballot being taken John Rutledge esquire was unanimously elected. having been previously nominated by Mr Holten.

A letter of 19 May from Mr J. Brown was read declining his Office of commr for carrying into execution the resolution of 16 Dec. last.

Wednesday July 6. 1785

Congress assembled. Present as yesterday

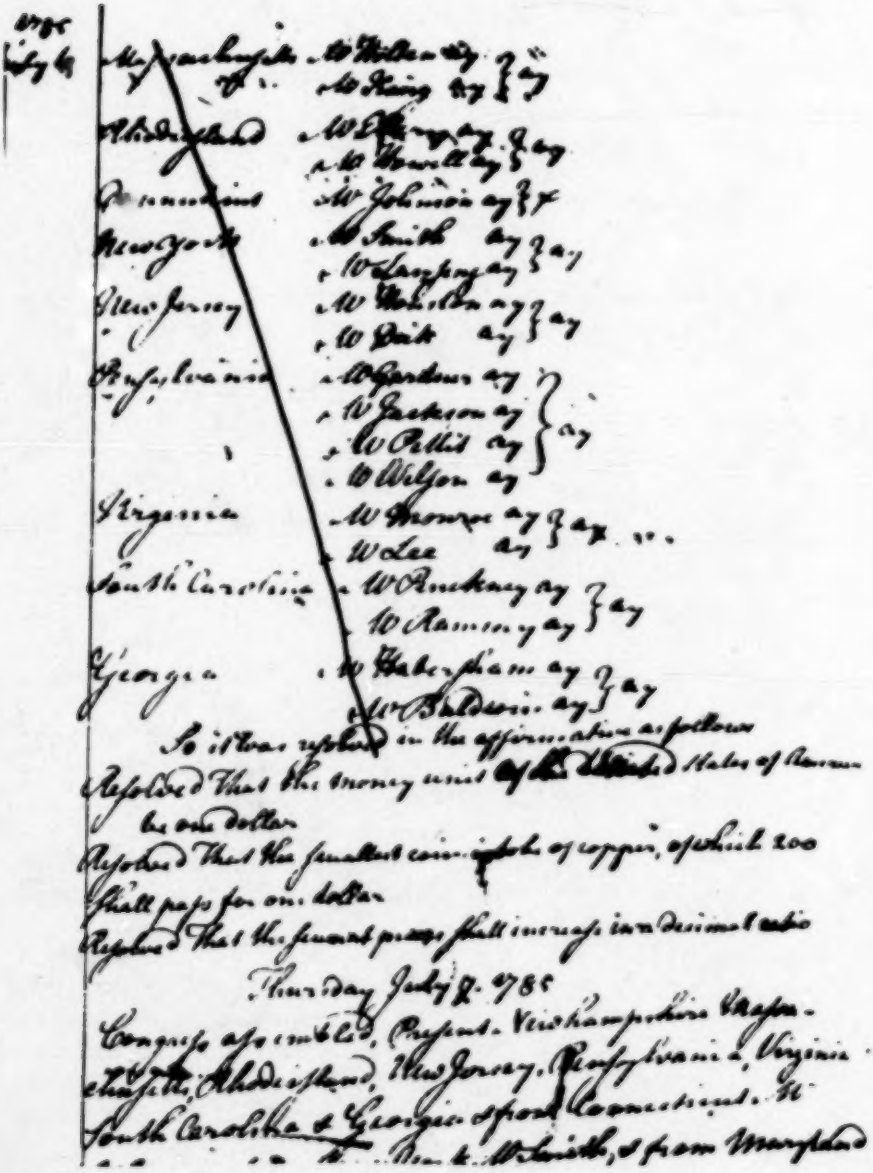
Congress took into consideration the report of a grand committee consisting of Mr Howell, Mr Parker, Mr King, Mr Howell, Mr Cook, Mr Smith, Mr Beatty, Mr Gardner, Mr Vining, Mr Rhoades, Mr Monroe, Mr Williamson, Mr Pinckney & Mr Hawkins on the subject of a money Unit.

And on the question That the money Unit of the United States of America be one dollar

The yeas & nays being required by Mr Howell.

Every delegate answering ay, it was

New Hampshire - Mr Foster ay
Mr Long ay



So it was resolved in the affirmative as follows

Resolved That the money unit of the United States of America be one dollar

Resolved That the smallest coin in value of copper, of which 200 shall pass for one dollar

Resolved That the smallest pieces shall increase in a decimal ratio

Thursday July 7. 1785

Congress assembled. Present. New Hampshire Massachusetts, Rhode Island, New Jersey, Pennsylvania, Virginia South Carolina & Georgia. absent Connecticut. N

from the amount of the quota of the state of Virginia on the requisition of 1786.

All which is humbly submitted to Congress.

H. KNOX.[1]

War Office, April 11th, 1786.

No. 1. BOARD OF TREASURY,
April 8th, 1786.

SIR, We do ourselves the Honor of enclosing the Report of this Board upon the several References of Congress relative to the Establishment of a Mint for the United States of America.

We judge it necessary to submit several Principles for the Decision of Congress, previous to our making a Report on this subject, and on the Various Propositions that have been made for undertaking a Copper Coinage. Congress by their Act of the 6th July last resolved, that the Money Unit of the United States should be a Dollar, but did not determine what number of Grains of Fine Silver should constitute the Dollar.

We have concluded that Congress by their Act aforesaid, intended the common Dollars that are Current in the United States, and we have made our calculations accordingly. We have assumed various sums for the Money Unit, and find that there are several, which would make the decimal arithmetic more accurate, when compared with the Money of Account in the several States, than the Dollar which is current at four shillings and sixpence sterling. But if the Decimal arithmetic should be generally adopted in keeping of Accounts, This Inconvenience will soon be got rid of. Probably much sooner than that which might arise from assuming a new and unusual sum for the Dollar, or Money Unit.

The British Mint Price for a Pound Troy Weight of Standard Silver is Sixty two Shillings sterling, which is issued at the same Value after it is coined. It will appear from the Propositions we have submitted, that we have made a Difference of two per cent between coined and uncoined Silver, Which addition of two per Cent to the Coined Silver appears to us to be necessary on Account of Waste, and also to defray the Expense of Coinage.

[1] This report is in the *Papers of the Continental Congress*, No. 151, folio 171. According to indorsement it was read April 12. The inventory of the stores is in No. 150, I, on folio 191.

A Pound Troy Weight of Standard Silver of the United States will therefore be issued from their Mint at the Rate of three Pounds, three Shillings and three pence Sterling or, four pounds, four shillings and four pence lawful Money. The Money Unit or Dollar will contain three hundred and seventy five grains and sixty four hundredths of a Grain of fine Silver. A Dollar containing this number of Grains of fine Silver, will be worth as much as the New Spanish Dollars.

We have also considered Gold as being of a different Value before, and After it is coined, making an Allowance for Coinage of one half Per Cent. We find the Difference that Custom has established between Coined Gold and Coined Silver, in the United States, to be, nearly as one of the former to fifteen and Six tenths of the latter. We have endeavoured to preserve this relative Difference as we apprehend less inconvenience will arise from it among the Citizens of the United States, than from reducing the relative value, which however has been proposed by all those who have written upon the Subject of a Coinage for the United States; but it does not appear, from what they have said, that they had attended accurately to the real Difference which Custom has established between Gold and Silver in the United States. We find the relative Valu between Gold and Silver to be as follows:

England: As 1 is to 15.210.
France: As 1 is to 14.458.
Spain: As 1 is to 14.85.
Holland: As 1 is to 14.44.
Portugal: As 1 is to 15.78.
America: As 1 is to 15.6 nearly.

The following Tables will shew the Value of Coined and [uncoined] Silver and Gold on the Principals above stated—

UNCOINED SILVER

Stand. Grains	Grs. fine	Std Silver	Dolls & Parts	Lawful Mr	Sterling
5. 760	5. 280	1 lb	13. 777	£4. 2. 8	£3. 2. 0
480	440	1 oz.	1. 148	6. 10½	0. 5. 2
20	18½	1 Dwt.	0. 057	0. 0. 4	0. 0. 3½₀
1	11/12	1 Gr.	0. 002	0. 0. 0⅛	0. 0. 0⅛

COINED SILVER

5. 760	5. 280	1 lb	14. 055	£4. 4. 4	£3. 3. 3
480	440	1 oz.	1. 171	0. 7. 0½	0. 5. 6¼
20	18½	1 Dwt.	0. 058	0. 0. 4½	0. 0. 3½
1	11/12	1 Gr.	0. 0028	0. 0. ½	0. 0. 0⅛

UNCOINED GOLD

5. 760	5. 280	1 lb	209. 77	£62. 18. 7½	£47. 3. 11¾
480	440	1 oz.	17. 481	5. 4. 10½	3. 18. 8
20	18½	1 Dwt.	0. 874	0. 5. 3	0. 4. 11½
1	11/12	1 Gr.	0. 036	0. 0. 2½	0. 0. 1¾

COINED GOLD

5. 760	5. 280	1 lb	210. 833	£63. 5. 0	47. 8. 9
480	440	1 oz.	17. 569	5. 5. 5	3. 19. 0¾
20	18½	1 Dwt.	0. 878	0. 5. 3½	0. 3. 11¼
1	11/12	1 Gr.	0. 036	0. 0. 2¾	0. 0. 2

COINED SILVER IN ENGLAND

5. 280 Grains..... £4. 1. 11 £3. 1. 5¼

COINED GOLD IN ENGLAND

5. 280 Grains..... £62. 6. 0 £46. 14. 6

Gold is receivable at the Several Banks in the United States, at the Rate of £48 Sterling, for a Pound Troy Weight. We have proposed that there shall be two Pieces of Gold the one equal to Ten Dollars, weighing 246.268 Grains of Fine Gold, and the other equal to Five Dollars weighing 123.134 Grains, fine Gold, which will preserve the Current value of Gold, very nearly the same as it is at present.

COPPER

Copper being a hard and impure Metal does not, as Gold and Silver, require any Alloy, to prevent its being impaired in Currency. We propose to divide Two pounds and one quarter of a pound Avoirdupois Weight of Copper into One hundred Coppers. They will be issued from the Mint at about the same Rate of advance that the British put upon their Copper Coinage, and will contain about Eight pCt more Copper than the British half pence.

We should have submitted our Propositions on this subject sooner, if a sufficient Number of States had been convened to determine on the object of this Report. Our first Idea was to fix the Value of the Dollar or Money Unit at 4/2 Sterling, and we had prepared Several Tables to shew the Operations of Decimal Computation when compared with that of the Money Account in the several States, valuing the Dollar at 4/2 and at 4/6 Sterling; but after mature Reflection, we judged it most advisable for the Reasons mentioned in the former part of our Letter, to adopt the Value of the Present Current Dollar, for the Money Unit; and to make our Report Conformably to it.

We have likewise enclosed a Report formed on the Principle of fixing the Dollar (or Money Unit) at 6/3 Sterling, and have added to the Tables above mentioned certain Calculations which will shew the operation of the Decimal Arithmetic estimating the Dollar at 6/3 or 12/6 Sterling. Should the last sum be adopted for the Money Unit (which we are informed has been suggested), the Report last mentioned can be easily made conformably to it. In that case the Unit, will be a Money of Account (as the English Pound Sterling) and not an Actual Coin.

When Congress have determined the certain Value of the Money Unit, we shall be ready to Report immediately on the different Propositions which have been laid before that Honorable Body for the establishment of a Copper Coinage; an Object which becomes

daily of more Consequence, not only from the Foreign Importation of base Copper Coin; but from private Contracts made in some of the States for striking Copper, the Specimens of which are extremely base and ill executed.

We have the Honor to be etc.[1]

No. 2.

The Board of Treasury to whom it was Referred to Report the Form of an Ordinance for the Establishment of a Mint, and the Proposals of sundry Individuals relative to Copper Coinage, Beg leave to Report to Congress—

That after a mature Consideration of this Subject, they are of Opinion, that it will be necessary to submit to their Consideration certain principles relative to the Weight and Alloy of Gold and Silver Coins, previous to the Establishment of the proposed Ordinance, they therefore submit the following Propositions:

That the Standard of the United States of America for Gold and Silver, shall be Eleven parts fine, and one part Alloy.

That the Money Unit of the United States (being by the Resolve of Congress of the 6th July last a Dollar) shall contain of fine Silver, three hundred and seventy-five Grains and Sixty-four Hundredths of a Grain. That the Money of Account (to correspond with the Division of Coins agreeably to the above Resolve) shall proceed in a Decimal Ratio agreeably to the Forms and Manner following, viz:

Mills (the lowest Money of Accompt of which One thousand shall be equal to the Federal Dollar or Money Unit	0. 001
Cents (the highest Copper piece), of which One hundred shall be equal to the Dollar	0. 010
Dimes (the lowest Silver Coin) ten of which shall be equal to the Dollar	0. 100
Dollar (the highest Silver Coin)	1. 000

That betwixt the Dollar and the lowest Copper Coin, as fixed by the Resolve of Congress of the 6th July last there shall be three Silver Coins and one Copper Coin. That the Silver Coins shall be as follows:

One Coin Containing one hundred and eighty-seven Grains and eighty-two hundredths of a Grain of fine Silver to be called ..... A Half Dollar.

One Coin containing Seventy five Grains and one hundred and twenty eight Thousandths of a Grain of fine Silver to be called ..... A Double Dime.

[1] This report, signed by Samuel Osgood and Walter Livingston, is in the *Papers of the Continental Congress*, No. 139, folio 131.

And one Coin containing thirty seven Grains and five hundred and sixty four thousandths of a Grain of fine Silver to be called..... A Dime.

That the two Copper Coins shall be as follows: One equal to the one-hundredth part of the Federal Dollar to be called..... A Cent.

And one equal to the two-hundreth part of the Federal Dollar to be called..... A Half Cent.

That two pounds and a quarter Avoirdupois Weight of Copper shall constitute one hundred Cents.

That there shall be two Gold Coins: One containing two hundred and forty-six Grains and two hundred and sixty-eight thousandths of a Grain of fine Gold, equal to Ten Dollars, and to be stamped with the impression of the American Eagle, and to be called..... An Eagle.

One containing one hundred and twenty three Grains and one hundred and thirty four thousandths of a Grain of fine Gold equal to Five Dollars and to be stamped in like manner and to be called..... A Half Eagle.

That the Mint price of a pound Troy Weight of uncoined Silver, Eleven parts fine, and one part Alloy, shall be Nine Dollars, nine Dimes, and two Cents.

The Mint price of a pound Troy Weight of uncoined Gold, Eleven parts fine, and one part Alloy, shall be Two hundred and nine Dollars, seven Dimes, and seven Cents.

All of which is humbly submitted to the Judgment of Congress.[1]

April 8th, 1786.

The following Observations on the Principles upon which the above Report is founded are Annexed for the consideration of Congress.

Mr Jefferson in his Notes on the Establishment of a Money Unit and on a Coinage for the United States, observes—

That in fixing the Unit of Money these circumstances are of Principal Importance.

1st. "That it be of convenient size to be applied as a measure to the common Transactions of Life."

2d. "That its Parts and Multiples be in an easy proportion to each other, so as to facilitate the Money Arithmetic."

[1] This report, signed by Samuel Osgood and Walter Livingston, is in the *Papers of the Continental Congress*, No. 139, folio 139.

3d. "That the Unit, and its Parts or Divisions, be so nearly the value of some known Coins, as that they may be of easy adoption for the People."

"That the Spanish Dollar seems to fulfill all these Conditions"

It is readily acknowledged that no Money Unit can be adopted by the United States, that will be so familiar to, and well known by the People, as the Dollar that is generally Current at four Shillings and sixpence Sterling; and that the size will be convenient as a common measure.

If there should be any objections against adopting it, they must arise from the Decimal Divisions of it. It is probable, that some other Sum might be adopted for the Money Unit, which would free the Decimal Arithmetic from those inconveniences which are occasioned by Quantities that cannot be noted down Decimally, or when noted down, do not correspond with the value of any known Coins. If the common Dollar should be fixed upon as a Money Unit, the Cents, will not correspond with any Copper Coin known in the United States. A single Cent will be about Eight per Cent better than a British half pence.

In the aforesaid Notes it is observed, That should the Unit be fixed at three hundred and sixty-five Grains of fine Silver, Gold at fifteen for one (or rather at one for fifteen), and the Alloy of both be one-twelfth, the Weight of the Coins will be as follows:

The Golden piece containing 243½ Grains of pure Metal, 22.12 Grains of Alloy will weigh 11 Dwt, 14.18 Grains.

The Unit or Dollar containing 365 Grains of pure Metal 33.18 Grains of Alloy, will Weigh 16 Dwt, 14.18 Grains.

The half Dollar, or five Tenths containing 182½ Grains of pure Metal 16.59 Grains of Alloy will weigh 8 Dwt 7.09 Grains.

The fifth or Pistereen containing 73 Grains of pure Metal, 3.318 Grains of Alloy, will weigh 1 Dwt 15.818 Grains.

The twentieth, or half Bit containing 18¼ Grains of pure Metal, 1.659 Grains of Alloy, will weigh 19.9 Grains.

It is necessary to assume a Principle by which we may determine whether the above Weights are right. And for this purpose let us adopt the value of a Pound Troy Weight of Silver, the same as the British have done, viz. 62/. Sterling without making any Allowance for the difference of Alloy. Let there be allowed for Waste and

Expence of Coinage two per Cent for Silver and one half per Cent for Gold:

$744^{d}:5.280::54:383.225$
$102:100::383.225:375.71$

Therefore the Unit or 54^{d} Sterling ought to contain 375.71 Grains fine Silver.

	375. 71	Gr^{s} fine Silver
In 54^{d} British Money there are	385. 365	d^{o}
Difference	9. 715	
Mr. Jefferson places 54^{d} at	365.	Gr^{s} pure Metal
Difference between this and British	20. 365	
	385. 365	

Mr Jefferson therefore proposes to Issue a Peice of Silver Money nominally worth 54^{d} Sterling; but really 5⅓ p. Cent less valuable. The piece of Gold equal to Ten dollars ought to—

Weigh	250. 42 Gr^{s} pure
Proposed Weight	243. 333
Difference	7. 087

To issue a Golden Coin in England equal to 540^{d} it should contain of—

Fine Gold	254. 14 Gr^{s} fine
Proposed Weight	243. 333
Difference	10. 807

If Congress should adopt Mr Jefferson's plan, then we should have Gold and Silver Coins about 5 p. Cent less valuable than British Money.

As this is too great an Allowance for Waste and Expence of Coinage, the pieces mentioned by Mr Jefferson, ought to Weigh as follows, making an Allowance of two per Cent for Silver and an half per Cent for Gold for Coinage, &c.

SILVER PIECES

The Money Unit or Dollar	375. 71	Gr^{s} fine Silver
The half Dollar	187. 85	
The Pistereen or two tenths	75. 14	
The Tenth	37. 57	

GOLD PIECES

(Relative value 1 for 15)

One equal to Ten Units	250. 42
One equal to five Units	125. 21

To make the above Weights of Gold correspond with the following Calculations, there ought to be three per Cent added to the 375.71 Grains of fine Silver in the Money Unit.

As 252^{d} or 21/Stlg is to 118.65 Grains fine Gold in a Guinea, so is 540^{d} or 10 Dollars to the number of Grains of fine Gold that there should be in 540^{d} agreeably to the British

252^{d}:118. 65::540^{d}:254. 14
100. 5:100::254. 14:252. 875

Therefore to deduct half per Cent for Coinage there ought to be in Ten Dollars 252.875 Grains fine Gold.

If it should be thought best to preserve the same relative value between Gold and Silver that Custom has Established, in the United States, then the two pieces of Gold above mentioned ought to weigh as follows: One hundred and twenty-six Grains of Standard Gold of England passes in the United States for 252^{d} Sterling. The pound Troy Weight of Standard Gold is therefore worth £48 Sterling.

126:252^{d}::5. 760:11. 520^{d} equal to £48 Sterling
11. 520^{d}:5. 280::540^{d}:247. 5 or
12
11. 520^{d}:5. 760::540^{d}:270/22. 5
22. 5

247. 5

As 100.5:100::247. 5:246.268
As 252:126::540^{d}:270 Gr^{s} Standard Gold in Ten Dollars.

The true relative value between Gold and Silver Coins in England is as follows: 5.280 Grains of fine Silver pass for 61/5¼ Stlg: and 5.280 Grains of fine Gold pass for 11.214^{d} Sterling.

61. 5¼	11. 214
12	4
737	2949)44. 856(15. 210 true difference in England.
4	
2949	

If therefore the Money Unit contains of fine Silver 375.71 Gr^s ten times that Number will be 375.710 which divided by the number of Grains in the piece of Gold equal to Ten Dollars, will be 246.268/375.710/15.256. relative difference in the United States.[1]

No. 3.

PRINCIPLES FOR ESTABLISHING A COINAGE, VALUING THE DOLLAR AT 4/2 STERLING.

The Board of Treasury, to whom it was Referred, to Report the Form of an Ordinance for the Establishment of a Mint, and the proposals of sundry Individuals relative to Copper Coinage, Beg leave to Report to Congress:

That after a mature consideration of this Subject, they are of Opinion, that it will be necessary to submit to their consideration certain principles relative to the Weight and Alloy of Gold and Silver Coins, their proposed relative value, the price of Foreign Coin, and the Money of Accompt previous to the Establishment of the proposed Ordinance.

That the Standard of the United States of America for Gold and Silver, shall be Eleven parts fine, and one Alloy.

That the Money Unit of the United States (being by the Resolve of Congress of the 6th July last, a Dollar) shall contain of fine Silver, Three hundred and fifty Grains, and nine-tenths of a Grain.

That the Money of Accompt (to correspond with the divisions of Coins agreeably to the above Resolve) should proceed in a Decimal Ratio, agreeably to the forms and manner following viz.

Mills (the lowest Money of Accompt), of which one thousand shall compose the Federal Dollar, the Money Unit	0. 001
Cents (The highest Copper Coin), of which Ten should constitute a Coin, to be stiled a Dime, equal to Mills	0. 010
Dimes (The lowest Silver Coin), of which Ten shall compose a Dollar, each of which to be equal to Mills	0. 100
Dollar (The highest Silver Coin), equal to Mills	1. 000

[1] These Observations follow immediately after the Board of Treasury's report No. 2 of April 8. The last page is indorsed, on verso, by Thomson: "Read April 12. 1786 Wednesday April 19 assigned for consideration." The report was printed and a copy is in No. 139, folio 193. With p. 9 of the printed report is a contemporanous ms. note, in the writing of a clerk, charging the Board of Treasury with incorrectly stating Jefferson's proposition and quoting his exact words.

That betwixt the Dollar (the Money Unit which will be represented by a Coin containing the Quantity of fine Silver as specified in the first proposition) and the lowest Copper Coin (as fixed by the Resolve of Congress of the 6th July last) there shall be three Silver Coins, and one Copper Coin.

That the Silver Coins shall be as follows:

One Coin containing one hundred and seventy-five Grains, four-tenths, and one-twentieth part of a Grain of fine Silver, to be called ..... a half Dollar.

One Coin containing Seventy-One Grains and eight-tenths of a Grain of fine Silver, to be called ..... a Double Dim[e].

One Coin containing thirty-five Grains and $^{90}/_{100}$ of a Grain of fine Silver, to be called ..... a Dim[e].

That the Two Copper Coins shall be as follows: One Equal to one hundreth part of the Federal Dollar to be called a Cent.

One equal to the Two hundreth part of a Federal Dollar to be called ..... a half Cent.

That two pounds Avoirdupois Weight of Copper shall constitute one hundred Cents, and so on in proportion of the lowest Copper Coin.

That there shall be two Gold Coins: One containing 237$^{7}/_{10}$ Grains of fine Gold equal to Ten Dollars, to be stampt with the impression of an Eagle and called by the name ..... Eagle.

The other containing 118$^{85}/_{100}$ Grains of fine Gold equal to Five Dollars, stampt in like manner and called ..... Half Eagle.

That the Mint price for One pound Weight Troy of Gold eleven parts fine and one part Alloy, should be two hundred and twenty Dollars, Eight Dimes, three Cents, and two Mills.

That the Mint price of a Pound Troy of Silver, Eleven parts fine, and one part Alloy, should be fourteen Dollars, seven Dimes, four Cents and six Mills.

That the Gold Coin of the United States of America shall be one-half per Cent above the Mint price.

That the Silver Coin of the United States of America shall be Two per Cent above the Mint price.

That Foreign Coin shall be Current at the Treasury of the United States at the Mint price.

That after the Year no Foreign Brass or Copper pieces shall be Current in the United States of America.

GOLD

Thirty Louis d'Ors of 24 Livres each, ought to weigh a Mark of Eight Ounces; But they are lawful, if the 30 Louis d'Ors want 15 Grains in the whole. This allowance is called the Remedy of Weights.

The Standard is 22 Carats fine; but Louis d'Ors are lawful when they are 21 $^{13}/_{32}$Carats fine. This Allowance is called the Remedy of Law.

Price of Gold @21$^{13}/_{32}$ is 709 Livres p. Mark of 8 Ounces. Mark of 8 oz. makes 30 Louis d'Ors, Value 720 Livres. Expence of Coinage and Waste about 2 Livres on the Mark. Profit to the Sovereign 9 Livres p. Mark, or 1$^{1}/_{8}$ p. Cent.

SILVER

Eight 6-Livre pieces and $^{1}/_{9}$ ought to Weigh a mark of 8 oz., but are lawful Currency when the pieces differ only 36 Grains p. each Mark.

Standard, eleven parts fine, and one part Alloy. But they are Current 3 and 6 Livre pieces @10–21: that is, three Grains short of the Standard.

Price of Silver, 48 Livres 9 Sous p. Mark. Standard 10.21. A Mark gives 8 six-Livre pieces and $^{1}/_{9}$ or 49 Livres, 16 Sous. Expence of Coinage and Waste 14½ Sous p. Mark. Profit, 12½ Sous p. Mark or 1$^{1}/_{4}$ p. Cent.

A Mark of Gold after Coined is 720 Livres. A Mark of Silver after Coined is 49 Livres, 16 Sous.

49. 16	720
20.	20
996	)14, 400(14.458, difference between Gold and Silver in France.

In England it is 15.072; therefore as 14.458:100::15.072:104.25. The difference therefore in favor of Gold in England is about 4¼ p. Cent more than in France.

If the United States place the difference at 14.75 it will be nearly a mean between France and England 14.75:100::15.072:102.115, nearly 2 p. C^{t} in favor of England 14.75:100::14.458:98, about 2 p. C^{t} better than in France. A Pound Weight Troy of Gold, Eleven Twelfths fine, is divided in England into 44½ Guineas = £46:14:6.

As no profit is to be made by the Public, on Coinage, it will be sufficient to allow an half p. Cent for the Waste and Expence of the Coinage of Gold. And two p. Cent for the Waste and Expence of the Coinage of Silver.

In a Pound Troy Weight of Gold, there are of fine Gold 5,280 Grains. Deduct half p. Cent for Coinage viz.

100:0.5::5, 280 : 26. 4

26. 4

5, 253. 6

Thus 5,253.6 Grains of fine Gold Coined, will be equal to 5,280 Grains of uncoined Gold.

In a Pound Weight, Troy, of Silver, there are of fine Silver 5,280 Grains,—Deduct 2 p. Cent for Coinage &c.

100:2::5,280:105. 6

105. 6

5, 174. 4

Thus 5,174.4 Grains fine Coined Silver are equal to 5,280.

It is proposed that the Federal Dollar shall be equal to 4/2 Sterling, excepting the 2 p. Cent for Coinage.

How many Grains, then, ought the Federal Dollar to contain of fine Silver, that it may be just 2 p. Cent less valuable than 4/2 Sterling?

In a pound Weight Troy, of Standard Silver of England, there are Grains of fine Silver, 5,328; which are divided into 62/ Sterling or 744^{d}. If two per Cent be deducted from this number of Grains, and the remainder is divided into 62/ Sterling or 744^{d}, then we shall have a principle to find the number of Grains, that 4/2 Sterling ought to contain, allowing it to be 2 p. Cent less valuable, than 50^{d} of British Money,

100:2::5,328:106.56

106. 56

5, 221.44

Therefore, in the Currency of the United States, there will be in 62/ Sterling or 744^{d} 5,221.44. Now if 744^{d} has 5,221.44 Grains of fine Silver, what ought the Federal Dollar or 50^{d} to have?

744·5,221.44::50:350.9

A Federal Dollar therefore upon the above principles, must have 350$\frac{9}{10}$ Grains of fine Silver.

As the proposed Standard for Silver is $\frac{1}{12}$ fine, there will consequently be in a pound Weight Troy of fine Silver, 5,280 Grains which divided by 350$\frac{9}{10}$ Grains will give the Dollars that the same must be divided into.

350. 9)5, 280(15. 047
3. 509

17710
17545

16500
14036

24640
24563

.77

consequently a pound Weight Troy will be divided into fifteen Dollars, no Tenths, four Cents and seven Mills.

If 5,221.44 Grains of fine Silver has 744^{9} what will 5,280, the number of Grains of fine Silver in a pound of the proposed Standard, have? 5,221.44:744::5,280:752$^{6}\frac{9}{10}$ which are equal to 15 Dollars, no Dimes, 4 Cents, and 7 Mills as above.

From the above may be ascertained the price that must be given at the Mint, for a Pound of Standard Silver; for every 100 Grains that the Mint gives it must receive one hundred and two in Exchange. As a Standard Pound contains 5,280 Grains of fine Silver, if two p. Cent is deducted therefrom, and the remainder divided by 350.9, the Quotient will be the amount that must be given for the same in Dollars and parts of Dollars.

100:2::5, 280:105. 6
105. 6

350. 9)5, 174. 4(14. 746
Difference of 2 p. C^{t} is..... .301

15. 047

This Calculation is made upon the Grains of fine Silver. It may be proved this way by the Money of Accompt:

100:2::15.047: .301

301

14.746

Having ascertained what is to be given for a pound Weight Troy of fine Silver as Bullion, we proceed to the Division thereof:

	Dolls. Parts	
1 lb is	14.746	= 61^{1}/4^{0}⅛
1 oz. is	1.228	= 5 /1^{6}¾
1 Dw^{t} is	0.060	= /3^{2}
1 Grain is	0.0025	= ¼

The weight of the Federal Dollar with the Alloy ..... 382.8 Grains.

15.047)5.760(382.8. Deduct ⅛, which proves the whole 31.9

350.9

From the foregoing Calculations it will be easy to make the necessary divisions of the Silver Coin.

GOLD

It is proposed that the difference between Gold and Silver shall be as 1:14.75. When the value of Silver is established, and the difference between that and Gold, the necessary Calculations may soon be made; Calculating agreeably to the above difference, 14.75×5,253.6 the number of fine Grains of Gold in a Pound Troy, after deducting therefrom half p. Cent for Coinage, will be the number of Grains of fine Silver that must be given for a Pound Troy, of Uncoined Gold.

100:0.5::5,280:26.4

26.4

5,253.6×14.75=77,490.60

the number of Grains of fine Coined Silver, that must be given for 5,280 Grains of fine Uncoined Gold, which divided by 350.9 gives the Dollars and parts thereof, which must be given for the same. 350.9)77,490.60(220.832 Dollars and parts.

If then 5,253.6 fine Coined Gold has 220 Dollars, 8 Dimes, 3 Cents and 2 Mills what will 5,280 have, the number of Grains of fine Gold in a pound Troy of Standard Gold, after it is Coined?

5,253.6:220,832::5,280:221.943

Thus it appears that a Pound Troy of Standard Gold after Coined will be worth 221 Dollars, 9 Dimes, 4 Cents and 3 Mills.

The Proportion of Coined Silver to be given for Uncoined Gold, will be as follows:

1 lb uncoined Gold	=	220. 832	Dollars and Parts that must be given for Uncoined Gold.
1 oz. d°	=	18. 402	
1 Dwt. d°	=	0. 920	
1 Grain d°	=	0. 038	

All Coined Gold will be 14.75 more than Coined Silver.

From these Calculations may be made the following Tables:

UNCOINED SILVER

Standard Grains.	Grains fine.	Standard Silver.	Dollars.
5, 760	5, 280	1 lb.	14. 746 = £3:1:4½
480	440	1 oz.	1. 228 = " 5:1¾
20	18½	1 Dwt.	0. 060 = " " 3.
1	11/12	1 Grain.	0. 0025 = " " "¼

COINED SILVER

5, 760	5, 280	1 lb.	15. 047 = £3:2:8⅞
480	440	1 oz.	1. 254 = " 5:3
20	18½	1 Dwt.	0. 062 = " " 3¼
1	11/12	1 Grain.	0. 0025 = " " "¼

UNCOINED GOLD

5, 760	5, 280	1 lb.	220. 832 = £46: 0:1¾
480	440	1 oz.	18. 402 = 3:16:8¾
20	18½	1 Dwt.	0. 920 = 0: 3:9¾
1	11/12	1 Grain.	0. 035 = 0: 0:1¾

COINED GOLD

5, 760	5, 280	1 lb.	221. 943 = 46: 4:9¾
480	440	1 oz.	18. 495 = 3:17:1
20	18½	1 Dwt.	0. 925 = 0: 3:9¾
1	11/12	1 Grain.	0. 038 = 0: 0:1¾

Difference between Gold and Silver. In
England: As 1 is to 15.72.
France: As 1 is to 14.53.
Spain: As 1 is to 14.85.
Holland: As 1 is to 14.44.
Portugal: As 1 is to 15.78.
A Louis d'or contains 117½ Grains of fine Gold.
An English Guinea contains 118.6 Ditto.

The Louis d'ors is worth in France of fine silver	117. 3×14. 458=	1, 695. 923 Grains.
In England it would be worth	117. 3×15. 725=	1, 768.
Difference		72. 077
The Guinea is worth in England, Grains of fine silver	118. 6×15. 725=	1, 787. 298
And would be worth in France no more than	118. 6×14. 458=	1, 714. 718
Difference		72. 580

As Coined Gold the Guinea will be worth in the United States 118.6×14.75= 1,749.35 Grains fine Silver=4.985 Dol^{s} or 20/9½.
As Coined Gold the Louis d'or will be worth in the United States 117.3×14.75= 1,730.175 Grains fine Silver=4.93 Dol^{s} or 20/6½ Stl^{g}.

The above Calculations are more upon the supposition that English and French Weights are the same. But this not being the case, the calculations will vary accordingly.

As American and English Weights are the same the comparison between French and English Weights will afford a true principle for Calculation.

The comparison between French and English Weights is viz. The French Ounce is ⅛ of the Mark and contains 576 Grains It is lighter than that of London by $\frac{1}{64}$, that is to say, 64 ounces of France weigh only 63 Ounces English, and of course the English Ounce weighs 585½ Grains of the French Mark.

	French		English
The French Mark weighing 8 Ounces	4, 608	=	3, 780 Grains
The Ounce weighing 8 Drachms	576	=	472½
The Drachm weighing 3 pennywt	72	=	59^{1}⁄$_{16}$
The Penny Weight	24	=	19^{23}⁄$_{64}$
The Louis d'or	153^{1}⁄$_{10}$	=	
The English pound of 12 Oz	7, 021½	=	5, 760
1 Oz	585¼	=	480
1 Dwt	29^{5}⁄$_{37}$	=	24
The English Guinea	157^{623}⁄$_{625}$	=	129^{3}⁄$_{10}$

COPPER

Copper being a hard and impure Metal, does not as Gold and Silver require any Alloy to prevent its being impaired in Currency.

It is proposed that a Pound Avoirdupois Weight, shall be divided into fifty Coppers, and also into One hundred half Coppers: But this division is proposed, upon a supposition, that the Dollar will be fixed agreeably to the above Calculations. If that should be altered; this Division should also be altered.

The following Tables are calculated to shew how the Decimal Arithmetic will operate in the Divisions of a Crown at 5/—a Dollar at 4/6. and a Dollar at 4/2 Sterling Money.

* * * * * * *[1]

No. 4.

PRINCIPLES FOR ESTABLISHING A COINAGE VALUING THE DOLLAR AT 6/3 STERLING.

The Board of Treasury to whom it was referred to Report the Form of an Ordinance for the Establishment of a Mint, and the Proposals of Sundry Individuals relative to Copper Coinage, Beg leave to Report to Congress:

That after a Mature Consideration of this Subject, they are of Opinion that it is necessary to submit to the Consideration of Congress certain principles relative to the Weight and Alloy of Gold and Silver Coins, their proposed relative Value, the Value of Foreign Coin, and the Money of Accompt previous to framing the proposed Ordinance. They therefore submit the following propositions.

That the Standard of the United States of America, for Gold and Silver shall be eleven parts fine and one part Alloy.

That the Money Unit of the United States (being by the Resolve of Congress of the 6th July last a Dollar) shall contain of fine Silver, Five hundred and twenty-one Grains and seventy-three hundredths of a Grain.

That the Money Accompt to Correspond with the Divisions of the Coins agreeably to the above Resolve, Shall proceed in a Decimal Ratio according to the Terms and Measures, following—

Mills (the lowest Money of Account), of which One thousand shall be equal to the Money Unit or Dollar	0. 001
Cents (the highest Copper Piece), of which One hundred shall be equal to the Dollar	0. 010
Dimes (the lowest Silver Coin), of which ten shall be equal to the Dollar	0. 100
Dollar (the highest Silver Coin)	1. 000

[1] These tables, five in number, give the decimal arithmetic as noted and also at 12/6 Sterling. They have merely a minor value and are readily available in printed form in the Continental Congress Broadsides in the Library of Congress.

That between the Dollar and lowest Copper Coin as fixed by the Resolve of Congress of the 6th of July last there shall be three Silver Coins and one Copper Coin.

That the Silver Coins shall be as follows:

One Coin containing two hundred and sixty Grains and Ninety-six hundredths of a Grain of fine Silver to be called ---------- An half Dollar.

One Coin containing One hundred and four Grains and three hundred and forty-six thousandths of a Grain of fine Silver to be called---------- A Double Dime.

One Coin containing fifty-two Grains and One hundred and Seventy-three thousandths of a Grain of fine Silver, to be called---------- A Dime.

That there shall be three Gold Coins, as follows:

One Containing three hundred and forty-seven Grains and Eighty-two hundredths of a Grain of fine Gold, equal to Ten Dollars, to be stamped with the impression of the American Eagle, and to be called---------- An Eagle.

One Containing one hundred and seventy-three Grains and Ninety-Six hundredths of a Grain of fine Gold to be stamped in like manner, and to be called---------- An half Eagle.

And One Containing Eighty-six Grains and Ninety-Eight hundredths of a Grain of fine Gold, to be stamped in like manner and called---------- A Quarter of An Eagle.

That the Mint Price for One Pound Troy Weight of Uncoined Gold eleven parts fine and one part Alloy shall be one hundred and fifty-One Dollars, no Dimes, three Cents, and Eight Mills.

That the Mint Price of a Pound Troy Weight of Uncoined Silver, eleven parts fine and one part Alloy shall be Nine Dollars, nine Dimes, and two Cents.

That Foreign Coin shall be current at the Treasury of the United States, at the Mint Price.

That the two Copper Coins shall be as follows:

One equal to the One hundreth Part of a Federal Dollar, to be called---------- A Cent.

And One equal to the two hundreth Part of the federal Dollar, to be called---------- An half Cent.

That three pounds Avoirdupois Weight of Copper shall be divided into One hundred Cents.

Remarks on the within Report.

If the federal Dollar or Money Unit of the United States should be fixed at 8/4 lawful Money, the Decimal arithmetic will be more accurate and exact, than if it should at either 4/6 or 4/2 Sterling, and the divisions would Correspond with the known Coins.

The Standard for Silver of Great Britain is 11 Ozs. 2 Dwts. fine, and 18 dwts. Alloy in the Pound Troy.

As it is proposed that the Standard for Silver of the United States shall be eleven parts fine, and one part Alloy, there will be a Difference of $\frac{1}{12}$ of one per Cent in favor of the British Standard for Silver.

A pound Troy Weight of Silver in England contains 5,328 Grains of fine Silver, and when Coined is issued to the Public at the Rate of 62/Sterling or 82/8 lawful Money.

If therefore two per Cent should be allowed for Waste and Coinage and this is added to the 82/8 it will amount to 84/4 which is equal to 1,012^{d}.

The following Proportion will shew the Quantity of fine Silver, that the federal Dollar must contain 1,012^{d}:5,280::100:521.73 Grains of fine Silver.

The two per Cent for Coinage and the $\frac{1}{12}$ of one per Cent Difference of Alloy, will make the real Difference between American and British Silver Money 2$\frac{1}{12}$ per Cent in favor of the British.

If the relative Value between Gold and Silver should be fixed, as one of the former to fifteen of the latter, and there should be a difference in favor of Coined Gold, when compared with Uncoined Gold, of one-half per Cent, the following Calculations will shew the Number of Grains of Gold, that the Gold Pieces ought to Contain.

As the Pound Troy of Silver is equal to 1,012^{d} the Pound Troy of Gold at the Difference of one for fifteen, will be equal to 15.180^{d}

If 5,280 Grains of fine Gold when coined shall be worth 15.180^{d} then a thousand pence or Ten Dollars will have 347.82 Grains of Fine Gold.

15.180:5,280::1,000:347.82

If there should be three Gold Coins their Weight and Value will be as follows:

1	Piece	equal to 1,000^{d} or ten	Dollars;	Weight	347.82	Grs. fine G^{d}
1	Ditto	500^{d} or five	Dollars;	D^{o}	173.91	D^{o}
1	D^{o}	250^{d} or 2$\frac{1}{2}$	Dollars;	D^{o}	86.95	Ditto.

The following Tables Shew the Relative Value of Coined and Uncoined Silver and Gold on the Principles of the within Report:

UNCOINED SILVER

Stand[d] Grs.	Grs fine.	Stan[d] Silver			
5, 760	5, 280	1 lb.	9. 92	£4.2.8	£3.2.0
480	440	1 oz.	. 826	6.10½	5.2
20	18½	1 dwt.	. 040	4	3½₀
1	1/12	1 Gr.	. 001	0¼	0¼

COINED SILVER

5, 760	5, 280	1 lb.	10. 12	£4.4.4	£3.3.3
480	440	1 oz.	. 843	7.0½	5.6¼
20	18½	1 dwt.	. 042	4¼	3¼
1	1/12	1 Gr.	. 001	0¼	0¼

UNCOINED GOLD

5, 760	5, 280	1 lb.	151. 035	£62.18. 7½	£47. 3.11¼
480	440	1 oz.	12. 486	5. 4.10½	3.18. 8
20	18½	1 Dwt.	. 624	5. 3	4.11½
1	1/12	1 Gr.	. 026	0. 2½	. 1¼

COINED GOLD

5, 760	5, 280	1 lb.	151. 8	£63.5.0	£47. 8. 9
480	440	1 oz.	12. 65	5.5.5	3.19. 0¾
20	18½	1 dwt.	. 632	5.3½	0. 3.11¼
1	1/12	1 Gr.	. 026	2¼	[1] 0. 0. 2[1]

[1] This report is in the *Papers of the Continental Congress*, No. 139, folio 179. According to indorsement it was read April 12 and passed August 8, 1786. All four of these reports were printed in one document by the Congress (a 28 pp. 4° pamphlet) between April 12 and April 19.

April 12: The following committee was appointed: Mr. [William Samuel] Johnson, Mr. [Edward] Carrington, Mr. [Nathaniel] Gorham, Mr. [Rufus] King and Mr. [Pierse] Long, on the memorial of Jonathan Burrall, Joseph Bindon and Edward Fox. Report was rendered April 20.

APPENDIX B

Original Draft of The Constitution as Presented August 6, 1787 to the Members in Convention[1]

MONDAY, AUGUST 6, 1787.

JOURNAL

Monday August 6. 1787.

The House met agreeably to adjournment.

The honorable John Francis Mercer Esq, One of the Deputies from the State of Maryland, attended and took his seat.

The honorable Mr Rutledge, from the Committee to whom were referred the Proceedings of the Convention for the purpose of reporting a Constitution for the establishment of a national Government conformable to these Proceedings, informed the House that the Committee were prepared to report — The report was then delivered in at the Secretary's table, and being read once throughout and copies thereof given to the members — It was moved and seconded to adjourn till wednesday morning

which passed in the negative. [Ayes — 3; noes — 5.]

The house then adjourned till to-morrow morning at 11 o'Clock A. M.

DETAIL OF AYES AND NOES

[Beginning of 4th loose sheet]

	New Hampshire	Massachusetts	Rhode Island	Connecticut	New York	New Jersey	Pennsylvania	Delaware	Maryland	Virginia	North Carolina	South Carolina	Georgia	Questions	Ayes	Noes	Divided
[232]	no	no		no			aye		aye	aye	no	no		To adjourn till wednesday	3	5	

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1 Max Farrand, ed., *THE RECORDS OF THE FEDERAL CONVENTION OF 1787*, 1937 Revised Edition (New Haven: Yale University Press, 1966) II, 176-189.

MADISON

Monday August 6th. In Convention

⟨Mr. John Francis Mercer from Maryland took his seat.⟩[1]

Mr. Rutlidge ⟨delivered in⟩ the Report of the Committee of detail as follows;[2] ⟨a printed copy being at the same time furnished to each member.⟩[3]

"We the people of the States of New Hampshire, Massachusetts, Rhode-Island and Providence Plantations, Connecticut, New-York, New-Jersey, Pennsylvania, Delaware, Maryland, Virginia, North-Carolina, South-Carolina, and Georgia, do ordain, declare, and establish the following Constitution for the Government of Ourselves and our Posterity.

Article I

The stile of the [this] Government shall be, "The United States of America"

II

The Government shall consist of supreme legislative, executive, and judicial powers.

III

The legislative power shall be vested in a Congress, to consist of two separate and distinct bodies of men, a House of Representatives and a Senate; each of which shall [,] in all cases [,] have a negative on the other. The Legislature shall meet on the first Monday in December [in] every year.

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[1] Taken from *Journal*.

[2] Madison originally recorded simply, "The House adjd after receiving from Mr. Rutlidge the report . . . as follows;". The additions were taken from *Journal*.

[3] Madison copied the report into his Debates, and it is his transcript which is given in the text. Differences in the printed report from this copy are noted in the text by square brackets or in foot-notes.

Several copies of the original printed report are in existence, and a number of facsimiles printed by Peter Force. The reprint is readily distinguished: the original report numbered the 6th and 7th articles both VI; the facsimile numbers the 7th and 8th articles both VII.

IV

Sect. 1. The members of the House of Representatives shall be chosen every second year, by the people of the several States comprehended within this Union. The qualifications of the electors shall be the same, from time to time, as those of the electors in the several States, of the most numerous branch of their own legislatures.

Sect. 2. Every member of the House of Representatives shall be of the age of twenty five years at least; shall have been a citizen of [in] the United States for at least three years before his election; and shall be, at the time of his election, a resident of the State in which he shall be chosen.

Sect. 3. The House of Representatives shall, at its first formation, and until the number of citizens and inhabitants shall be taken in the manner herein after described, consist of sixty five Members, of whom three shall be chosen in New Hampshire, eight in Massachusetts, one in Rhode-Island and Providence Plantations, five in Connecticut, six in New-York, four in New-Jersey, eight in Pennsylvania, one in Delaware, six in Maryland, ten in Virginia, five in North-Carolina, five in South-Carolina, and three in Georgia.

Sect. 4. As the proportions of numbers in [the] different States will alter from time to time; as some of the States may hereafter be divided; as others may be enlarged by addition of territory; as two or more States may be united; as new States will be erected within the limits of the United States, the Legislature shall, in each of these cases, regulate the number of representatives by the number of inhabitants, according to the provisions herein after made, at the rate of one for every forty thousand.

Sect. 5. All bills for raising or appropriating money, and for fixing the salaries of the officers of the Government, shall originate in the House of Representatives, and shall not be altered or amended by the Senate. No money shall be drawn from the public Treasury, but in pursuance of appropriations that shall originate in the House of Representatives.

Sect. 6. The House of Representatives shall have the sole

power of impeachment. It shall choose its Speaker and other officers.

Sect. 7. Vacancies in the House of Representatives shall be supplied by writs of election from the executive authority of the State, in the representation from which it shall happen.

V

Sect. 1. The Senate of the United States shall be chosen by the Legislatures of the several States. Each Legislature shall chuse two members. Vacancies may be supplied by the Executive until the next meeting of the Legislature. Each member shall have one vote.

Sect. 2. The Senators shall be chosen for six years; but immediately after the first election they shall be divided, by lot, into three classes, as nearly as may be, numbered one, two and three. The seats of the members of the first class shall be vacated at the expiration of the second year, of the second class at the expiration of the fourth year, of the third class at the expiration of the sixth year, so that a third part of the members may be chosen every second year.

Sect. 3. Every member of the Senate shall be of the age of thirty years at least; shall have been a citizen in the United States for at least four years before his election; and shall be, at the time of his election, a resident of the State for which he shall be chosen.

Sect. 4. The Senate shall chuse its own President and other officers.

VI

Sect. 1. The times and places and [the] manner of holding the elections of the members of each House shall be prescribed by the Legislature of each State; but their provisions concerning them may, at any time, be altered by the Legislature of the United States.

Sect. 2. The Legislature of the United States shall have authority to establish such uniform qualifications of the members of each House, with regard to property, as to the said Legislature shall seem expedient.

Sect. 3. In each House a majority of the members shall constitute a quorum to do business; but a smaller number may adjourn from day to day.

Sect 4. Each House shall be the judge of the elections, returns and qualifications of its own members.

Sect. 5. Freedom of speech and debate in the Legislature shall not be impeached or questioned in any Court or place out of the Legislature; and the members of each House shall, in all cases, except treason [,] felony and breach of the peace, be privileged from arrest during their attendance at Congress, and in going to and returning from it.

Sect 6. Each House may determine the rules of its proceedings; may punish its members for disorderly behaviour; and may expel a member.

Sect. 7. The House of Representatives, and the Senate, when it shall be acting in a legislative capacity, shall keep a Journal of their proceedings, and shall, from time to time, publish them: and the yeas and nays of the members of each House, on any question, shall [,] at the desire of one-fifth part of the members present, be entered on the journal.

Sect. 8. Neither House, without the consent of the other, shall adjourn for more than three days, nor to any other place than that at which the two Houses are sitting. But this regulation shall not extend to the Senate, when it shall exercise the powers mentioned in the article.

Sect. 9. The members of each House shall be ineligible to, and incapable of holding any office under the authority of the United States, during the time for which they shall respectively be elected: and the members of the Senate shall be ineligible to, and incapable of holding any such office for one year afterwards.

Sect. 10. The members of each House shall receive a compensation for their services, to be ascertained and paid by the State, in which they shall be chosen,

Sect. 11. The enacting stile of the laws of the United States shall be, "Be it enacted by the Senate and Representatives in Congress assembled".[4]

[4] Printed copy reads: "Be it enacted, and it is hereby enacted by the House of Representatives, and by the Senate of the United States, in Congress assembled."

The Records for August 15 indicate that section 11 was adopted without amend-

Sect. 12. Each House shall possess the right of originating bills, except in the cases beforementioned.

Sect. 13. Every bill, which shall have passed the House of Representatives and the Senate, shall, before it become a law, be presented to the President of the United States for his revision: if, upon such revision, he approve of it, he shall signify his approbation by signing it: But if, upon such revision, it shall appear to him improper for being passed into a law, he shall return it, together with his objections against it, to that House in which it shall have originated, who shall enter the objections at large on their journal and proceed to reconsider the bill. But if after such reconsideration, two thirds of that House shall, notwithstanding the objections of the President, agree to pass it, it shall together with his objections, be sent to the other House, by which it shall likewise be reconsidered, and [,] if approved by two thirds of the other House also, it shall become a law. But in all such cases, the votes of both Houses shall be determined by yeas and nays; and the names of the persons voting for or against the bill shall be entered on the journal of each House respectively. If any bill shall not be returned by the President within seven days after it shall have been presented to him, it shall be a law, unless the legislature by their adjournment, prevent its return; in which case it shall not be a law.

VII [VI][5]

Sect. 1. The Legislature of the United States shall have the power to lay and collect taxes, duties, imposts and excises;

To regulate commerce with foreign nations, and among the several States;

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ment, but the Washington and Brearley copies of the report of the Committee of Detail show a change in wording in accordance with Madison's text. A probable explanation of this is that the Committee of Detail made this modification after the Report was in print.

[5] In the printed copy, the number VI was repeated, consequently Article VII and all subsequent articles were misnumbered. It is important to remember this in noting subsequent references to articles by number.

To establish an uniform rule of naturalization throughout the United States;

To coin money;

To regulate the value of foreign coin;

To fix the standard of weights and measures;

To establish Post-offices;

To borrow money, and emit bills on the credit of the United States;

To appoint a Treasurer by ballot;

To constitute tribunals inferior to the Supreme Court;

To make rules concerning captures on land and water;

To declare the law and punishment of piracies and felonies committed on the high seas, and the punishment of counterfeiting the coin of the United States, and of offences against the law of nations;

To subdue a rebellion in any State, on the application of its legislature;

To make war;

To raise armies;

To build and equip fleets;

To call forth the aid of the militia, in order to execute the laws of the Union, enforce treaties, suppress insurrections, and repel invasions;

And to make all laws that shall be necessary and proper for carrying into execution the foregoing powers, and all other powers vested, by this Constitution, in the government of the United States, or in any department or officer thereof;

Sect. 2. Treason against the United States shall consist only in levying war against the United States, or any of them; and in adhering to the enemies of the United States, or any of them. The Legislature of the United States shall have power to declare the punishment of treason. No person shall be convicted of treason, unless on the testimony of two witnesses. No attainder of treason shall work corruption of blood, nor forfeiture, except during the life of the person attainted.

Sect. 3. The proportions of direct taxation shall be regulated by the whole number of white and other free citizens

and inhabitants, of every age, sex and condition, including those bound to servitude for a term of years, and three fifths of all other persons not comprehended in the foregoing description, (except Indians not paying taxes) which number shall, within six years after the first meeting of the Legislature, and within the term of every ten years afterwards, be taken in such manner as the said Legislature shall direct.

Sect. 4. No tax or duty shall be laid by the Legislature on articles exported from any State; nor on the migration or importation of such persons as the several States shall think proper to admit; nor shall such migration or importation be prohibited.

Sect- 5. No capitation tax shall be laid, unless in proportion to the Census hereinbefore directed to be taken.

Sect- 6. No navigation act shall be passed without the assent of two thirds of the members present in each House.

Sect. 7. The United States shall not grant any title of Nobility.

VIII [VII]

The Acts of the Legislature of the United States made in pursuance of this Constitution, and all treaties made under the authority of the United States shall be the supreme law of the several States, and of their citizens and inhabitants; and the judges in the several States shall be bound thereby in their decisions; anything in the Constitutions or laws of the several States to the contrary notwithstanding.

IX [VIII]

Sect 1. The Senate of the United States shall have power to make treaties, and to appoint Ambassadors, and Judges of the sup[illegible]e Court.

Sect. 2. In all disputes and controversies now subsisting, or that may hereafter subsist between two or more States, respecting jurisdiction or territory, the Senate shall possess the following powers. Whenever the Legislature, or the Executive authority, or lawful Agent of any State, in con-

troversy with another, shall by memorial to the Senate, state the matter in question, and apply for a hearing; notice of such memorial and application shall be given by order of the Senate, to the Legislature or the Executive authority of the other State in Controversy. The Senate shall also assign a day for the appearance of the parties, by their agents, before the House. The Agents shall be directed to appoint, by joint consent, commissioners or judges to constitute a Court for hearing and determining the matter in question. But if the Agents cannot agree, the Senate shall name three persons out of each of the several States; and from the list of such persons each party shall alternately strike out one, until the number shall be reduced to thirteen; and from that number not less than seven nor more than nine names, as the Senate shall direct, shall in their presence, be drawn out by lot; and the persons whose names shall be so drawn, or any five of them shall be commissioners or Judges to hear and finally determine the controversy; provided a majority of the Judges, who shall hear the cause, agree in the determination. If either party shall neglect to attend at the day assigned, without shewing sufficient reasons for not attending, or being present shall refuse to strike, the Senate shall proceed to nominate three persons out of each State, and the Clerk of the Senate shall strike in behalf of the party absent or refusing. If any of the parties shall refuse to submit to the authority of such Court; or shall not appear to prosecute or defend their claim or cause, the Court shall nevertheless proceed to pronounce judgment. The judgment shall be final and conclusive. The proceedings shall be transmitted to the President of the Senate, and shall be lodged among the public records, for the security of the parties concerned. Every Commissioner shall, before he sit in judgment, take an oath, to be administred by one of the Judges of the Supreme or Superior Court of the State where the cause shall be tried, "well and truly to hear and determine the matter in question according to the best of his judgment, without favor, "affection, or hope of reward."

Sect. 3. All controversies concerning lands claimed under

different grants of two or more States, whose jurisdictions, as they respect such lands shall have been decided or adjusted subsequent to such grants, or any of them, shall, on application to the Senate, be finally determined, as near as may be, in the same manner as is before prescribed for deciding controversies between different States.

X [IX]

Sect. 1. The Executive Power of the United States shall be vested in a single person. His stile shall be "The President of the United States of America;" and his title shall be, "His Excellency". He shall be elected by ballot by the Legislature. He shall hold his office during the term of seven years; but shall not be elected a second time.

Sect. 2. He shall, from time to time, give information to the Legislature, of the state of the Union: he may recommend to their consideration such measures as he shall judge necessary, and expedient: he may convene them on extraordinary occasions. In case of disagreement between the two Houses, with regard to the time of adjournment, he may adjourn them to such time as he thinks proper: he shall take care that the laws of the United States be duly and faithfully executed: he shall commission all the officers of the United States; and shall appoint officers in all cases not otherwise provided for by this Constitution. He shall receive Ambassadors, and may correspond with the supreme Executives of the several States. He shall have power to grant reprieves and pardons; but his pardon shall not be pleadable in bar of an impeachment. He shall be commander in chief of the Army and Navy of the United States, and of the Militia of the Several States. He shall, at stated times, receive for his services, a compensation, which shall neither be increased nor diminished during his continuance in office. Before he shall enter on the duties of his department, he shall take the following oath or affirmation, "I ———— solemnly swear, "(or affirm) that that I will faithfully execute the office of "President of the United States of America." He shall be

removed from his office on impeachment by the House of Representatives, and conviction in the supreme Court, of treason, bribery, or corruption. In case of his removal as aforesaid, death, resignation, or disability to discharge the powers and duties of his office the President of the Senate shall exercise those powers and duties, until another President of the United States be chosen, or until the disability of the President be removed.

XI [X]

Sect. 1. The Judicial Power of the United States shall be vested in one Supreme Court, and in such inferior Courts as shall, when necessary, from time to time, be constituted by the Legislature of the United States.

Sect. 2. The Judges of the Supreme Court, and of the Inferior Courts, shall hold their offices during good behaviour. They shall, at stated times, receive for their services, a compensation, which shall not be diminished during their continuance in office.

Sect. 3. The Jurisdiction of the Supreme Court shall extend to all cases arising under laws passed by the Legislature of the United States; to all cases affecting Ambassadors, other Public Ministers and Consuls; to the trial of impeachments of Officers of the United States; to all cases of Admiralty and maritime jurisdiction; to controversies between two or more States, (except such as shall regard Territory or Jurisdiction) between a State and Citizens of another State, between Citizens of different States, and between a State or the Citizens thereof and foreign States, citizens or subjects. In cases of impeachment, cases affecting Ambassadors, other Public Ministers and Consuls, and those in which a State shall be party, this jurisdiction shall be original. In all the other cases before mentioned, it shall be appellate, with such exceptions and under such regulations as the Legislature shall make. The Legislature may assign any part of the jurisdiction above mentioned (except the trial of the President of the United States) in the manner, and

under the limitations which it shall think proper, to such Inferior Courts, as it shall constitute from time to time.

Sect. 4. The trial of all criminal offences (except in cases of impeachments) shall be in the State where they shall be committed; and shall be by Jury.

Sect. 5. Judgment, in cases of Impeachment, shall not extend further than to removal from Office, and disqualification to hold and enjoy any office of honour, trust or profit, under the United States. But the party convicted shall, nevertheless be liable and subject to indictment, trial, judgment and punishment according to law.

XII [XI]

No State shall coin money; nor grant letters of marque and reprisals; nor enter into any treaty, alliance, or confederation; nor grant any title of Nobility.

XIII [XII]

No State, without the consent of the Legislature of the United States, shall emit bills of credit, or make any thing but specie a tender in payment of debts; nor lay imposts or duties on imports; nor keep troops or ships of war in time of peace; nor enter into any agreement or compact with another State, or with any foreign power; nor engage in any war, unless it shall be actually invaded by enemies, or the danger of invasion be so imminent, as not to admit of delay, until the Legislature of the United States can be consulted.

XIV [XIII]

The Citizens of each State shall be entitled to all privileges and immunities of citizens in the several States.

XV [XIV]

Any person charged with treason, felony or high misdemeanor in any State, who shall flee from justice, and shall be found in any other State, shall, on demand of the Execu-

tive power of the State from which he fled, be delivered up and removed to the State having jurisdiction of the offence.

XVI [XV]

Full faith shall be given in each State to the acts of the Legislatures, and to the records and judicial proceedings of the Courts and Magistrates of every other State.

XVII [XVI]

New States lawfully constituted or established within the limits of the United States may be admitted, by the Legislature, into this Government; but to such admission the consent of two thirds of the members present in each House shall be necessary. If a new State shall arise within the limits of any of the present States, the consent of the Legislatures of such States shall be also necessary to its admission. If the admission be consented to, the new States shall be admitted on the same terms with the original States. But the Legislature may make conditions with the new States, concerning the public debt which shall be then subsisting.

XVIII [XVII]

The United States shall guaranty to each State a Republican form of Government; and shall protect each State against foreign invasions, and, on the application of its Legislature, against domestic violence.

XIX [XVIII]

On the application of the Legislatures of two thirds of the States in the Union, for an amendment of this Constitution, the Legislature of the United States shall call a Convention for that purpose.

XX [XIX]

The members of the Legislatures, and the Executive and Judicial officers of the United States, and of the several States, shall be bound by oath to support this Constitution.

XXI [XX]

The ratifications of the Conventions of States shall be sufficient for organizing this Constitution.

XXII [XXI]

This Constitution shall be laid before the United States in Congress assembled, for their approbation; and it is the opinion of this Convention, that it should be afterwards submitted to a Convention chosen, under the recommendation of its legislature, in order to receive the ratification of such Convention.

XXIII [XXII]

To introduce this government, it is the opinion of this Convention, that each assenting Convention should notify its assent and ratification to the United States in Congress assembled; that Congress, after receiving the assent and ratification of the Conventions of States, should appoint and publish a day, as early as may be, and appoint a place for commencing proceedings under this Constitution; that after such publication, the Legislatures of the several States should elect members of the Senate, and direct the election of members of the House of Representatives; and that the members of the Legislature should meet at the time and place assigned by Congress, and should, as soon as may be, after their meeting, choose the President of the United States, and proceed to execute this Constitution."

(A motion was made to adjourn till Wednesday, in order to give leisure to examine the Report; which passed in the Negative — N. H. no. Mas — no. Ct. no. Pa. ay Md. ay. Virg. ay. N. C. no. S — C. no [6]

The [6] House then adjourned till tomorrow 11 OC.)[7]

[6] Taken from *Journal*.

[7] See further Appendix A, LXXVIII, LXXIX. Martin stated that "many of the members being absent, we adjourned to the next day." (Appendix A, CXC).

Executive Orders and Speech of President Franklin D. Roosevelt

Executive Order Number 6102 — Removal of the Dollar[1]

Return of Hoarded Gold

The order authorizes the Secretary of the Treasury to issue licenses for obtaining gold for industrial requirements, exportation of gold for trade purposes, and other legitimate needs not involving hoarding. With these exceptions, the order requires all persons to deliver to one of the Federal Reserve Banks, branches, or agencies, or to a member bank, in exchange for other currency, their gold coin, gold bullion, and gold certificates other than gold coin and gold certificates not exceeding $100 and gold coin having a recognized special value to collectors of rare and unusual coins. While the order is in effect persons who come into possession of gold not covered by the exceptions set forth in the order will also be required to exchange it for other currency. The order is limited to the period of the emergency.

The chief purpose of the order is to restore to the country's reserves gold held for hoarding and the withholding of which under existing conditions does not promote the public interest.

33 ¶ Gold Coin, Gold Bullion and Gold Certificates Are Required to Be Delivered to the Government. Executive Order No. 6102.

April 5, 1933

By virtue of the authority vested in me by Section 5 (b) of the Act of October 6, 1917, as amended by Section 2 of the Act of March 9, 1933, entitled "An Act to provide relief in the existing national emergency in banking, and for other purposes," in which amendatory Act Congress declared that a serious emergency exists, I, Franklin D. Roosevelt, President of the United States of America, do declare that said national emergency still continues to exist and pursuant to said section do hereby prohibit the hoarding of gold coin, gold bullion, and gold certificates

1 *THE PUBLIC PAPERS AND ADDRESSES OF FRANKLIN D. ROOSEVELT* (New York, New York, Random House, 1938) Vol. 2, 111-116.

within the continental United States by individuals, partnerships, associations and corporations and hereby prescribe the following regulations for carrying out the purposes of this order:

Section 1. For the purposes of this regulation, the term "hoarding" means the withdrawal and withholding of gold coin, gold bullion or gold certificates from the recognized and customary channels of trade. The term "person" means any individual, partnership, association or corporation.

Section 2. All persons are hereby required to deliver on or before May 1, 1933, to a Federal Reserve Bank or a branch or agency thereof or to any member bank of the Federal Reserve System all gold coin, gold bullion and gold certificates now owned by them or coming into their ownership on or before April 28, 1933, except the following:

(a) Such amount of gold as may be required for legitimate and customary use in industry, profession or art within a reasonable time, including gold prior to refining and stocks of gold in reasonable amounts for the usual trade requirements of owners mining and refining such gold.

(b) Gold coin and gold certificates in an amount not exceeding in the aggregate $100 belonging to any one person; and gold coins having a recognized special value to collectors of rare and unusual coins.

(c) Gold coin and bullion earmarked or held in trust for a recognized foreign Government or foreign central bank or the Bank for International Settlements.

(d) Gold coin and bullion licensed for other proper transactions (not involving hoarding) including gold coin and bullion imported for reexport or held pending action on applications for export licenses.

Section 3. Until otherwise ordered any person becoming the owner of any gold coin, gold bullion, or gold certificates after April 28, 1933, shall, within three days after receipt thereof, deliver the same in the manner prescribed in Section 2; unless such gold coin, gold bullion or gold certificates are held for any of the

purposes specified in paragraphs (a), (b), or (c) of Section 2; or unless such gold coin or gold bullion is held for purposes specified in paragraph (d) of Section 2 and the person holding it is, with respect to such gold coin or bullion, a licensee or applicant for license pending action thereon.

Section 4. Upon receipt of gold coin, gold bullion or gold certificates delivered to it in accordance with Sections 2 or 3, the Federal Reserve Bank or member bank will pay therefor an equivalent amount of any other form of coin or currency coined or issued under the laws of the United States.

Section 5. Member banks shall deliver all gold coin, gold bullion and gold certificates owned or received by them (other than as exempted under the provisions of Section 2) to the Federal Reserve Banks of their respective districts and receive credit or payment therefor.

Section 6. The Secretary of the Treasury, out of the sum made available to the President by Section 501 of the Act of March 9, 1933, will in all proper cases pay the reasonable costs of transportation of gold coin, gold bullion or gold certificates delivered to a member bank or Federal Reserve Bank in accordance with Section 2, 3, or 5 hereof, including the cost of insurance, protection, and such other incidental costs as may be necessary, upon production of satisfactory evidence of such costs. Voucher forms for this purpose may be procured from Federal Reserve Banks.

Section 7. In cases where the delivery of gold coin, gold bullion or gold certificates by the owners thereof within the time set forth above will involve extraordinary hardship or difficulty, the Secretary of the Treasury may, in his discretion, extend the time within which such delivery must be made. Applications for such extensions must be made in writing under oath, addressed to the Secretary of the Treasury and filed with a Federal Reserve Bank. Each application must state the date to which the extension is desired, the amount and location of the gold coin, gold bullion and gold certificates in respect of which such application is made and the facts showing extension to be necessary to avoid extraordinary hardship or difficulty.

Return of Hoarded Gold

Section 8. The Secretary of the Treasury is hereby authorized and empowered to issue such further regulations as he may deem necessary to carry out the purposes of this order and to issue licenses thereunder, through such officers or agencies as he may designate, including licenses permitting the Federal Reserve Banks and member banks of the Federal Reserve System, in return for an equivalent amount of other coin, currency or credit, to deliver, earmark or hold in trust gold coin and bullion to or for persons showing the need for the same for any of the purposes specified in paragraphs (a), (c) and (d) of Section 2 of these regulations.

Section 9. Whoever willfully violates any provision of this Executive Order or of these regulations or of any rule, regulation or license issued thereunder may be fined not more than $10,000, or, if a natural person, may be imprisoned for not more than ten years, or both; and any officer, director, or agent of any corporation who knowingly participates in any such violation may be punished by a like fine, imprisonment, or both.

This order and these regulations may be modified or revoked at any time.

NOTE: For a summary of the objectives and policies of the Administration with respect to gold and to the monetary system see note to Item 16, Vol. III.

We have seen the results of the action of the Federal Reserve Board in asking publicly for the lists of persons who had recently withdrawn gold or gold certificates and had not redeposited them (see Item 8, this volume). That action caused to be returned a great deal of withdrawn gold and gold certificates. As was stated, however, in the statement accompanying this Executive Order (see Item 32, this volume), there were some persons who had been waiting for the Government to issue a formal order directing the return of gold in their possession. This Executive Order was, accordingly, issued, requiring all holdings of gold coin, gold bullion, and gold certificates (with certain exceptions) to be delivered by May 1, 1933, to the Federal Reserve Banks.

This order served to prevent the accumulation of private gold hoards in the United States and to replenish further our gold reserves which had been dissipated through the months of uneasiness and weeks of actual panic. It served as a means

Return of Hoarded Gold

for further strengthening our banking structure and preventing the possibility of a recurring threat. It was the first step also to that complete control of all monetary gold in the United States, which was essential in order to give the Government that element of freedom of action which was necessary as the very basis of its monetary goal and objective. It was a step toward the fulfillment of the Democratic National Platform of 1932 pledging "a sound currency to be preserved at all hazards."

The Executive Order No. 6073 of March 10, 1933 (see Item 13, this volume), had permitted the Secretary of the Treasury to issue regulations or licenses with respect to gold exports. On March 13th, the Secretary of the Treasury, by regulation, authorized the Federal Reserve Banks temporarily to deliver gold in amounts deemed by such banks "to be reasonably required for legitimate and customary uses in trade, profession or art." The Executive Order No. 6102 of April 5, 1933 (to which this note is appended), which, as has been seen, required the delivery of gold, made an exception of gold coin and bullion "held pending action on applications for export licenses."

It thus continued to be possible for banks and other financial institutions to obtain gold in settlement of business debts contracted abroad; and these operations coupled, of course, with the comparable restrictions on foreign exchange transactions, had the result of maintaining the previous relationship between the dollar and foreign currencies. In this connection, it must be borne in mind that the statutory gold content of the dollar had not yet been changed and the quantity of gold delivered for export in exchange for a given number of dollars had, accordingly, continued to be the same as it had been previously. The result was that there had been no significant change in the foreign exchange value of the dollar in terms of other currencies — that is, in the number of dollars that it would take to buy some other currency as, for example, a franc, a pound or a mark.

On April 19, 1933, however, the Secretary of the Treasury announced that no further licenses to export gold for foreign account would be granted until further notice. The same action was taken with respect to gold "earmarked" for foreign account, with the exception that gold earmarked prior to March 6, 1933, for the account of foreign central banks and for the Bank for International Settlements could be exported under license. The effect of this action was, for the first time, to withdraw the support of gold shipments from the foreign exchange value of the dollar, with the result that thereafter the progressive decline of the dollar in terms of foreign currency took place; that is, it became possible to buy more dollars with the francs, pounds or marks which our foreign customers had

available to use for making purchases of American products.

The fact has been widely overlooked that the various phases of suspension of specie payment on March 6 and 10, and April 19, 1933, constituted devaluation in fact, which was immediately accompanied by a rise in commodity prices. The full extent of the devaluation, however, was not felt or actually determined until formal devaluation in law took place on January 31, 1934.

This announcement of April 19, 1933, by the Secretary of the Treasury limited the effect of Executive Order No. 6073 of March 10, 1933, in regard to gold exports and was preliminary to the Executive Order of April 20th, which redefined the export and license privilege. (See Items 42 and 120 of this volume.)

34 ¶An Invitation to Ramsay MacDonald to Visit the United States to Discuss the World Economic Situation. April 6, 1933

EVER since my conversations with the British Ambassador at Warm Springs, I have been hopeful that you might find it possible to visit Washington. I should particularly welcome such a visit in the near future, as the preparations for the World Economic Conference, of which you are to be President, are entering a more intensive stage and because of the need for making further progress toward practical disarmament. In my judgment the world situation calls for realistic action; the people themselves in every Nation ask it. I therefore hope that you will find yourself free to come to Washington during the present month. If you can come, I trust that you will stay with us at the White House and bring with you any of your family you may desire.

NOTE: The platform of the National Democratic Party in 1932 advocated "An international economic conference designed to restore international trade and facilitate exchange."

One of the first things which I undertook after Inauguration was to lay the groundwork for such a conference through preliminary conversations and exchanges of points of view with the heads of other Governments.

Some preliminary work had al-

straight through until the small hours of the next morning That is one exception to the N.R.A. that I have to approve.

Outside of that there is a unity in this country which I have not seen and you have not seen since April, 1917, by which the American people are getting together behind the spirit of the N.R.A. and deciding in every community, in every State, that they are going to live by these principles, and that through its operation and through the operation of other great agencies of the Government which we have started, we are going to bring this country back to better times.

So, my friends, with my family I am grateful to have this opportunity of seeing you—all my neighbors. Bless you all.

120 ¶ Further Regulations on the Hoarding and Export of Gold, and on Transactions in Foreign Exchange. Executive Order No. 6260.

August 28, 1933

BY VIRTUE of the authority vested in me by Section 5(b) of the Act of October 6, 1917, as amended by Section 2 of the Act of March 9, 1933, entitled "An Act to Provide Relief in the Existing National Emergency in Banking and for other Purposes," I, Franklin D. Roosevelt, President of the United States of America, do declare that a period of national emergency exists, and by virtue of said authority and of all other authority vested in me, do hereby prescribe the following provisions for the investigation and regulation of the hoarding, earmarking, and export of gold coin, gold bullion, and gold certificates by any person within the United States or any place subject to the jurisdiction thereof; and for the investigation and regulation of transactions in foreign exchange and transfers of credit and the export or withdrawal of currency from the United States or any place subject to the jurisdiction thereof by any person within the United States or any place subject to the jurisdiction thereof.

Further Regulations on Gold

Section 2. *Definitions.* As used in this Order the term "person" means an individual, partnership, association, or corporation; and the term "the United States" means the United States and any place subject to the jurisdiction thereof.

Section 3. *Returns.* Within fifteen days from the date of this Order every person in possession of and every person owning gold coin, gold bullion, or gold certificates shall make under oath and file as hereinafter provided a return to the Secretary of the Treasury containing true and complete information relative thereto, including the name and address of the person making the return; the kind and amount of such coin, bullion, or certificates held and the location thereof; if held for another, the capacity in which held and the person for whom held, together with the post-office address of such person; and the nature of the transaction requiring the holding of such coin, bullion, or certificates and a statement explaining why such transaction cannot be carried out by the use of currency other than gold certificates; provided that no returns are required to be filed with respect to

(a) Gold coin, gold bullion, and gold certificates in an amount not exceeding in the aggregate $100 belonging to any one person;

(b) Gold coin having a recognized special value to collectors of rare and unusual coin;

(c) Gold coin, gold bullion, and gold certificates acquired or held under a license heretofore granted by or under authority of the Secretary of the Treasury; and

(d) Gold coin, gold bullion, and gold certificates owned by Federal Reserve Banks.

Such return required to be made by an individual shall be filed with the Collector of Internal Revenue for the collection district in which such individual resides, or, if such individual has no legal residence in the United States, then with the Collector of Internal Revenue at Baltimore, Maryland. Such return required to be made by a partnership, association, or corporation shall be filed with the Collector of Internal Revenue of the col-

lection district in which is located the principal place of business or principal office or agency of such partnership, association, or corporation, or, if it has no principal place of business or principal office or agency in the United States, then with the Collector of Internal Revenue at Baltimore, Maryland. Such return required to be made by an individual residing in Alaska shall be filed with the Collector of Internal Revenue at Seattle, Washington. Such return required to be made by a partnership, association, or corporation having its principal place of business or principal office or agency in Alaska shall be filed with the Collector of Internal Revenue at Seattle, Washington.

The Secretary of the Treasury may grant a reasonable extension of time for filing a return, under such rules and regulations as he shall prescribe. No such extension shall be for more than forty-five days from the date of this Executive Order. An extension granted hereunder shall be deemed a license to hold for a period ending fifteen days after the expiration of the extension.

The returns required to be made and filed under this Section shall constitute public records; but they shall be open to public inspection only upon order of the President and under rules and regulations prescribed by the Secretary of the Treasury.

A return made and filed in accordance with this Section by the owner of the gold coin, gold bullion, and gold certificates described therein, or his duly authorized agent, shall be deemed an application for the issuance under Section 5 hereof of a license to hold such coin, bullion, and certificates.

Section 4. *Acquisition of gold coin and gold bullion.* No person other than a Federal Reserve Bank shall after the date of this Order acquire in the United States any gold coin, gold bullion, or gold certificates except under license therefor issued pursuant to this Executive Order, provided that member banks of the Federal Reserve System may accept delivery of such coin, bullion, and certificates for surrender promptly to a Federal Reserve Bank, and provided further that persons requiring gold for use in the industry, profession, or art in which they are regularly engaged may replenish their stocks of gold up to an aggregate

amount of $100, by acquisitions of gold bullion held under licenses issued under Section 5(b), without necessity of obtaining a license for such acquisitions.

The Secretary of the Treasury, subject to such further regulations as he may prescribe, shall issue licenses authorizing the acquisition of

(a) Gold coin or gold bullion which the Secretary is satisfied is required for a necessary and lawful transaction for which currency other than gold certificates cannot be used, by an applicant who establishes that since March 9, 1933, he has surrendered an equal amount of gold coin, gold bullion, or gold certificates to a banking institution in the continental United States or to the Treasurer of the United States;

(b) Gold coin or gold bullion which the Secretary is satisfied is required by an applicant who holds a license to export such an amount of gold coin or gold bullion issued under subdivisions (c) or (d) of Section 6 hereof, and

(c) Gold bullion which the Secretary, or such agency as he may designate, is satisfied is required for legitimate and customary use in industry, profession, or art by an applicant regularly engaged in such industry, profession, or art, or in the business of furnishing gold therefor.

Licenses issued pursuant to this Section shall authorize the holder to acquire gold coin and gold bullion only from the sources specified by the Secretary of the Treasury in the regulations issued hereunder.

Section 5. *Holding of gold coin, gold bullion, and gold certificates.* After thirty days from the date of this Order no person shall hold in his possession or retain any interest, legal or equitable, in any gold coin, gold bullion, or gold certificates situated in the United States and owned by any person subject to the jurisdiction of the United States, except under license therefor issued pursuant to this Executive Order; provided, however, that licenses shall not be required in order to hold in possession or re-

tain an interest in gold coin, gold bullion, or gold certificates with respect to which a return need not be filed under Section 3 hereof.

The Secretary of the Treasury, subject to such further regulations as he may prescribe, shall issue licenses authorizing the holding of

(a) Gold coin, gold bullion, and gold certificates, which the Secretary is satisfied are required by the person owning the same for necessary and lawful transactions for which currency, other than gold certificates, cannot be used;

(b) Gold bullion which the Secretary, or such agency as he may designate, is satisfied is required for legitimate and customary use in industry, profession, or art by a person regularly engaged in such industry, profession, or art or in the business of furnishing gold therefor;

(c) Gold coin and gold bullion earmarked or held in trust since before April 20, 1935, for a recognized foreign Government or foreign central bank or the Bank for International Settlements; and

(d) Gold coin and gold bullion imported for reexport or held pending action upon application for export licenses.

Section 6. *Earmarking and export of gold coin and gold bullion.* After the date of this Order no person shall earmark or export any gold coin, gold bullion, or gold certificates from the United States, except under license therefor issued by the Secretary of the Treasury pursuant to the provisions of this Order.

The Secretary of the Treasury, in his discretion and subject to such regulations as he may prescribe, may issue licenses authorizing

(a) The export of gold coin or gold bullion earmarked or held in trust since before April 20, 1933, for a recognized foreign Government, foreign central bank, or the Bank for International Settlements;

(b) The export of gold, (i) imported for reexport, (ii) refined from gold-bearing materials imported by the applicant

under an agreement to export gold, or (iii) in bullion containing not more than five ounces of gold per ton;

(c) The export of gold coin or gold bullion to the extent actually required for the fulfillment of a contract entered into by the applicant prior to April 20, 1933; but not in excess of the amount of the gold coin, gold bullion, and gold certificates surrendered by the applicant on or after March 9, 1933, to a banking institution in the continental United States or to the Treasurer of the United States; and

(d) The earmarking for foreign account and/or export of gold coin or gold bullion, with the approval of the President, for transactions which the Secretary of the Treasury may deem necessary to promote the public interest.

Section 7. *United States Possessions—Shipments thereto.* The provisions of Sections 3 and 5 of this Order shall not apply to gold coin, gold bullion, or gold certificates which are situated in the Philippine Islands, American Samoa, Guam, Hawaii, Panama Canal Zone, Puerto Rico, or the Virgin Islands of the United States, and are owned by a person not domiciled in the continental United States. The provisions of Section 4 shall not apply to acquisitions by persons within the Philippine Islands, American Samoa, Guam, Hawaii, Panama Canal Zone, Puerto Rico, or the Virgin Islands of the United States of gold coin or gold bullion which has not been taken or sent thereto since April 5, 1933, from the continental United States or any place subject to the jurisdiction thereof.

Section 8. Until further order, the Secretary of the Treasury is authorized, through any agency that he may designate, to investigate, regulate, or prohibit, under such rules and regulations as he may prescribe, by means of licenses or otherwise, any transactions in foreign exchange, transfers of credit from any banking institution within the United States to any foreign branch or office of such banking institution or to any foreign bank or banker, and the export or withdrawal of currency from the United States, by any person within the United States; and the

Secretary of the Treasury may require any person engaged in any transaction referred to herein to furnish under oath complete information relative thereto, including the production of any books of account, contracts, letters, or other papers, in connection therewith in the custody or control of such person either before or after such transaction is completed.

Section 9. The Secretary of the Treasury is hereby authorized and empowered to issue such regulations as he may deem necessary to carry out the purposes of this Order. Such regulations may provide for the detention in the United States of any gold coin, gold bullion, or gold certificates sought to be transported beyond the limits of the continental United States, pending an investigation to determine if such coin, bullion, or certificates are held or are to be acquired in violation of the provisions of this Executive Order. Licenses and permits granted in accordance with the provisions of this Order and the regulations prescribed hereunder, may be issued through such officers or agencies as the Secretary may designate.

Section 10. Whoever willfully violates any provision of this Executive Order or of any license, order, rule, or regulation issued or prescribed hereunder, shall, upon conviction, be fined not more than $10,000, or, if a natural person, may be imprisoned for not more than 10 years, or both; and any officer, director, or agent of any corporation who knowingly participates in such violation may be punished by a like fine, imprisonment, or both.

Section 11. The Executive Orders of April 5, 1933, Forbidding the Hoarding of Gold Coin, Gold Bullion and Gold Certificates, and April 20, 1933, relating to Foreign Exchange and the Earmarking and Export of Gold Coin or Bullion or Currency, respectively, are hereby revoked. The revocation of such prior Executive Orders shall not affect any act done, or any right accruing or accrued, or any suit or proceeding had or commenced in any civil or criminal cause prior to said revocation, but all liabilities under said Executive Orders shall continue and may be enforced in the same manner as if said revocation had not been

made. This Executive Order and any regulations or licenses issued hereunder may be modified or revoked at any time.

NOTE: The foregoing Executive Order further regulated and redefined the conditions under which holding, "earmarking" and export of gold coin, gold bullion, and gold certificates, and transactions in foreign exchange could be carried on. It required certain information returns to be filed by persons in possession of gold coin, gold bullion and gold certificates. It took the place of Executive Orders of April 5th, No. 6102 (see Item 33, this volume) and April 20th, No. 6111 (see Item 42, this volume), both of which it revoked. It was amended by Executive Order No. 6556 of January 12, 1934.

The next day I issued Executive Order No. 6261, permitting the sale to industry and abroad of domestic newly mined gold under certain regulations of the Secretary of the Treasury. It will be recalled that the previous Executive Orders dealing with gold, restricted transactions in gold, and particularly gold exports. The result of this was that the markets of the world had been closed to the domestic gold-mining industry. Since the Administration's efforts to raise commodity prices were meeting with success, and other American exporters were finding that their world markets were expanding, it was felt to be appropriate that provision should be made so that American gold-mining interests could obtain the benefits of world gold prices. It was at the same time necessary, however, that the Government's control of the gold market should be maintained. This Executive Order therefore provided for the receipt by the Treasury, on consignment for sale, of gold mined in the United States. Sales were to be made "at a price which the Secretary shall determine to be equal to the best price obtainable in the free gold markets of the world."

121 ¶ A Request for the Cooperation of Bankers in the Extension of Credit. August 30, 1933

(Read at the Fifty-ninth Annual Convention of the American Bankers' Association, September 5, 1933.)

I WELCOME the opportunity to send a message to the members of the American Bankers' Association, assembled for their fifty-ninth annual convention. I express my sincere appreciation of

associated with average residential consumption ranging from 816 to 4692 kilowatt hours per home per year.

12. Analysis of the relationship between power development and growth of industry in other regions shows that the installation of the proposed 1,100,000 hydroelectric horsepower on the United States side of the St. Lawrence River is likely to bring with it investment of over $500,000,000 in new industries, with employment for some 80,000 additional factory workers and a corresponding increase in population and in all lines of economic activity including rail transportation of raw materials and consumer goods.

13. The proposed development of St. Lawrence power by the Power Authority of the State of New York is primarily for the purpose of securing the lowest possible rates for domestic and rural consumers of electricity. It is the last opportunity available to provide the Northeastern section of the country with the benefits assured to other sections of the country through the development of the Tennessee Valley River basin, the Colorado River and the Columbia River.

The proposed treaty was defeated in the Senate on March 14, 1934, by a vote of 46 ayes and 42 nays, the required two-thirds affirmative vote not having been obtained.

See Item 34 of Vol. V for a further discussion of this proposed development.

8 ¶ Request for Legislation to Organize a Sound and Adequate Currency System. January 15, 1934

To the Congress:

In conformity with the progress we are making in restoring a fairer price level and with our purpose of arriving eventually at a less variable purchasing power for the dollar, I ask the Congress for certain additional legislation to improve our financial and monetary system. By making clear that we are establishing permanent metallic reserves in the possession and ownership of the Federal Government, we can organize a currency system which will be both sound and adequate.

The issuance and control of the medium of exchange which we call "money" is a high prerogative of government. It has been such for many centuries. Because they were scarce, because they

could readily be sub-divided and transported, gold and silver have been used either for money or as a basis for forms of money which in themselves had only nominal intrinsic value.

In pure theory, of course, a government could issue mere tokens to serve as money—tokens which would be accepted at their face value if it were certain that the amount of these tokens were permanently limited and confined to the total amount necessary for the daily cash needs of the community. Because this assurance could not always or sufficiently be given, governments have found that reserves or bases of gold and silver behind their paper or token currency added stability to their financial systems.

There is still much confusion of thought which prevents a world-wide agreement creating a uniform monetary policy. Many advocate gold as the sole basis of currency; others advocate silver; still others advocate both gold and silver whether as separate bases, or on a basis with a fixed ratio, or on a fused basis.

We hope that, despite present world confusion, events are leading to some future form of general agreement. The recent London agreement in regard to silver was a step, though only a step, in this direction.

At this time we can usefully take a further step, which we hope will contribute to an ultimate world-wide solution.

Certain lessons seem clear. For example, the free circulation of gold coins is unnecessary, leads to hoarding, and tends to a possible weakening of national financial structures in times of emergency. The practice of transferring gold from one individual to another or from the Government to an individual within a Nation is not only unnecessary, but is in every way undesirable. The transfer of gold in bulk is essential only for the payment of international trade balances.

Therefore it is a prudent step to vest in the Government of a Nation the title to and possession of all monetary gold within its boundaries and to keep that gold in the form of bullion rather than in coin.

Because the safe-keeping of this monetary basis rests with the Government, we have already called in the gold which was in the

possession of private individuals or corporations. There remains, however, a very large weight in gold bullion and coins which is still in the possession or control of the Federal Reserve banks.

Although under existing law there is authority, by executive act, to take title to the gold in the possession or control of the Reserve Banks, this is a step of such importance that I prefer to ask the Congress by specific enactment to vest in the United States Government title to all supplies of American-owned monetary gold, with provision for the payment therefor in gold certificates. These gold certificates will be, as now, secured at all times dollar for dollar by gold in the Treasury—gold for each dollar of such weight and fineness as may be established from time to time.

Such legislation places the right, title and ownership to our gold reserves in the Government itself; it makes clear the Government's ownership of any added dollar value of the country's stock of gold which would result from any decrease of the gold content of the dollar which may be made in the public interest. It would also, of course, with equal justice, cast upon the Government the loss of such dollar value if the public interest in the future should require an increase in the amount of gold designated as a dollar.

The title to all gold being in the Government, the total stock will serve as a permanent and fixed metallic reserve which will change in amount only so far as necessary for the settlement of international balances or as may be required by a future agreement among the Nations of the world for a redistribution of the world stock of monetary gold.

With the establishment of this permanent policy, placing all monetary gold in the ownership of the Government as a bullion base for its currency, the time has come for a more certain determination of the gold value of the American dollar. Because of world uncertainties, I do not believe it desirable in the public interest that an exact value be now fixed. The President is authorized by present legislation to fix the lower limit of permissible revaluation at 50 percent. Careful study leads me to believe that any revaluation at more than 60 percent of the present statutory

value would not be in the public interest. I, therefore, recommend to the Congress that it fix the upper limit of permissible revaluation at 60 percent.

That we may be further prepared to bring some greater degree of stability to foreign exchange rates in the interests of our people, there should be added to the present power of the Secretary of the Treasury to buy and sell gold at home and abroad, express power to deal in foreign exchange as such. As a part of this power, I suggest that, out of the profits of any devaluation, there should be set up a fund of two billion dollars for such purchases and sales of gold, foreign exchange, and Government securities as the regulation of the currency, the maintenance of the credit of the Government and the general welfare of the United States may require.

Certain amendments of existing legislation relating to the purchase and sale of gold and to other monetary matters would add to the convenience of handling current problems in this field. The Secretary of the Treasury is prepared to submit information concerning such changes to the appropriate committees of the Congress.

The foregoing recommendations relate chiefly to gold. The other principal precious metal—silver—has also been used from time immemorial as a metallic base for currencies as well as for actual currency itself. It is used as such by probably half the population of the world. It constitutes a very important part of our own monetary structure. It is such a crucial factor in much of the world's international trade that it cannot be neglected.

On December 21, 1933, I issued a proclamation providing for the coinage of our newly mined silver and for increasing our reserves of silver bullion, thereby putting us among the first Nations to carry out the silver agreement entered into by sixty-six Governments at the London Conference. This agreement is distinctly a step in the right direction and we are proceeding to perform our part of it.

All of the sixty-six Nations agreed to refrain from melting or debasing their silver coins, to replace paper currency of small de-

nominations with silver coins and to refrain from legislation that would depreciate the value of silver in the world markets. Those Nations producing large quantities of silver agreed to take specified amounts from their domestic production and those holding and using large quantities agreed to restrict the amount they would sell during the four years covered by the agreement.

If all these undertakings are carried out by the Governments concerned, there will be a marked increase in the use and value of silver.

Governments can well, as they have in the past, employ silver as a basis for currency. and I look for a greatly increased use. I am, however, withholding any recommendation to the Congress looking to further extension of the monetary use of silver because I believe that we should gain more knowledge of the results of the London agreement and of our other monetary measures.

Permit me once more to stress two principles. Our national currency must be maintained as a sound currency which, insofar as possible, will have a fairly constant standard of purchasing power and be adequate for the purposes of daily use and the establishment of credit.

The other principle is the inherent right of Government to issue currency and to be the sole custodian and owner of the base or reserve of precious metals underlying that currency. With this goes the prerogative of Government to determine from time to time the extent and nature of the metallic reserve. I am confident that the Nation will well realize the definite purpose of the Government to maintain the credit of that Government and. at the same time, to provide a sound medium of exchange which will serve the needs of our people.

NOTE: On January 15, 1934, the Secretary of the Treasury announced that a sufficient time had elapsed for the delivery of gold coin, gold bullion and gold certificates to the Treasury pursuant to the various Executive Orders since Executive Order No. 6102, April 5, 1933 (see Item 33, Vol. II), including the latest order on the subject, that of the Secretary of the Treasury of December 28, 1933. He accordingly fixed midnight of January 17, 1934, as the expiration of the period within

which such gold should be delivered.

In the foregoing message to the Congress made on the same day, January 15, 1934, I further stated the future monetary policies of the Administration. It will be observed that the message also reaffirms certain essential points already made clear in the earlier acts of the Administration, in regard to hoarding and to governmental control of gold reserves.

I laid stress in this message on the two principles which were basic to the formulation of a monetary policy: (1) the maintenance of a sound currency which in so far as possible would have a fairly constant standard of purchasing power and be adequate for purposes of daily use and the establishment of credit; and (2) the right of Government to issue currency and to be the sole custodian and owner of the reserve of the precious metals underlying that currency, with the power to determine from time to time the extent and nature of the metallic reserves.

I pointed out that the free circulation of gold, except for the payment of international trade balances, is unnecessary, leads to hoarding and is dangerous to the financial structure in times of emergency. I suggested that the Secretary of Treasury should be given power, in addition to his then existing authority, to buy and sell gold at home and abroad, and to deal in foreign exchange as such. I also referred to the function of silver as a basis for currency. Pursuant to this message, the Congress passed the Gold Reserve Act of 1934 (Pub. No. 87, 73d Congress; 48 Stat. 337).

See Item 16 of this volume for a discussion of this Act and for a résumé of the monetary policy and program to date. The following press conference of the same date as this message (Item 9, this volume) also discusses the message and the subject of devaluation of the dollar.

On the same day as the message, January 15, 1934, I issued three Executive Orders, Nos. 6558, 6559, and 6560, not printed in these volumes.

The two last Executive Orders, in general, freed dealings in foreign exchange to a certain degree from their former license requirements. While they continued to prohibit foreign-exchange transactions except under licenses, the orders provided that unless prohibited by the Secretary of the Treasury foreign-exchange transactions and transfers of credit could be carried on without a license for (a) normal commercial and business requirements, (b) reasonable travel and personal requirements, (c) the fulfillment of legally enforceable obligations incurred prior to March 9, 1933.

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ABOUT THIS BOOK

This second book by Dr. Leitch chronicles the history of the dollar. It traces and documents the dollar from its inception in the 16th century, details its adoption by the United States in 1785, and shows how it was removed from circulation in 1933, despite constitutional prohibitions.

The book includes over 15 reproductions of handwritten and printed documents from the Continental Congress and other sources, plus a wealth of information never previously developed or presented.

Unsolicited comments from those who reviewed the manuscript prior to publication ranged from characterizing the work as proof of Lincoln's famous dictum that ". . . you can't fool all the people all the time.", to "a scholarly polemic." Most revealing, however, was the legal opinion that "you have adequately proven the illegality of the monetary legislation of 1933."

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APPENDIX D

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Owen J. Roberts
1510 Morris Building
Philadelphia 2, Pa.
Rittenhouse 6-0650

September 10, 1952

Paul Bakewell, Jr., Esq.
LaSalle Building
St. Louis 1, Missouri

My dear Bakewell:

I thank you very much for sending me your book with its personal inscription. VanNostrand did send me a copy, and I have nearly finished it.

I am very much impressed with the work, and I think you have greatly improved its form since I saw your draft. The only way I can account for the Court's failure to notice the material to which you call attention is that nobody concerned in the case on either side called the Court's attention to it. Everybody seemed to assume the power to do what the Congress and the President had done, and then make the impossible claim that they must be paid in depreciated currency in an amount that would equal the original gold value. It seems to me a pity that your brief was not received by the Court. It would at least

put the Court on notice of the material involved.

My congratulations on an extraordinary job.

Yours sincerely,

/s/ Owen J. Roberts

OJR:Sy